Vol. 1 Issue 1, June 2006

m.inna magazine

focus on fun!

Contents

Letter from the Director 1

Online Casual Games Q&A 2

Mobile Gaming is Casual Gaming 6

10 Ways to Make a BAD Casual Game 9

Developing for Xbox Live Arcade 12

International Language Localization of Casual Games 14

Entering the Casual Games Market 18

Playing the Outsourcing Game: A Hands-on Guide 21

Turning Demos Into Sales 23

2006 IGDA Casual Games White Paper Excerpt 26

CASUAL GAMES ASSOCIATION

Official magazine prepared for the Casual Games Association

CASUAL GAMES ASSOCIATION

Casual Games Association
6143 Colgate Ave
Los Angeles, CA 90036

f +1 866 835.1275
p +1 801 499.1985
casualgamesassociation.org

Connecting the Casual Games Industry

The Casual Games Association is focused on providing educational resources and community support for the entire gaming industry. Our purpose is to bring together developers, publishers and distributors in order to achieve our common goal of growing the global casual games market.

Casual games are a big business—bigger, perhaps, than many people realize. Online revenues reached $713 million (USD) in 2005 and are estimated to grow to $1.56 billion (USD) in 2008. This is a market you cannot afford to ignore.

Ensuring the long-term growth of creating games for a diverse demographic requires

- *Educational Resources* to ensure our industry has an effective and productive workforce
- *Community Support* to get deals done and to ensure that everyone has the network and resources to succeed
- *Visibility* to encourage professionals to view casual games as a viable career option
- *Collaboration* to encourage the development of tools and growth within auxiliary markets and related associations

Our industry is what we make of it. While we are in our formative years, defining the business models and the professional community of the casual games industry, we have the opportunity to make a difference. Only together will we succeed. Help make this possible.

2006 Initiatives

Conference Series for Developers, Publishers and Distributors. Casuality Seattle and Europe are designed to educate those interested in making games for a wide audience across all distribution platforms: download, retail, console, handheld and mobile. In-depth exploration of Advertising, Korea, Indie Development, Mobile, Design and Business Models. More information: www.casuality.org

Networking Socials. The Minna Mingles allow those interested in casual games to connect with other professionals in a relaxed forum. More information: www.minnamingle.com Semi-monthly networking socials in major cities.

Expanding the view of casual games to include new business models and games on all platforms. Each year new opportunities are introduced at Casuality. Email ideas to jessica@casualgamesassociation.org

DFC Intelligence and the Casual Games Association have partnered to aggregate real data to further the understanding of the space for all members of the value chain. For the first time, there will be reliable research on how large the North American market really is and how the leading companies in the industry actually make money. More info: craig@casualgamesassociation.org

Developers are the cornerstone of the casual games industry. CGA offers a full day of indie development content at Casuality and exposure for developers with the Minna Games CD. CGA also supports the IGDA and Indie Games Conference. More on these resources: www.igda.org/casual and www.indiegamescon.com.

Advertising. To participate in advertising collaborations email: robb@casualgamesassociation.org

get involved: jessica@casualgamesassociation.org
press inquiries: emens@minnamedia.com

© 2006 Casual Games Association. All rights reserved.

Letter from the Director

Time Flies When You're Creating Fun

It was July 2003 when I signed my first contract with a casual games publisher and proceeded to recruit a couple of my good friends to make our first casual game. I thought at the time –with six of us crammed into my tiny home office –that this was just a brief diversion before venturing back to making "real" games. Back then, I would have never imagined that I would still be very involved in the casual gaming industry today or that the group recruited to work in our barely functional, makeshift office would still be making casual games as well.

As our casual game development studio became more established, moved into a real office, released a couple of games, and began working on high-profile projects, moving back to "real" games became less and less alluring. Although I did miss my software engineering days (I always liked searching for bugs and creating cool physics simulations), the attraction of managing multiple projects simultaneously–with products that appeal to more than just teenage boys–was undeniable. Still is, in fact.

I had not realized that there is so much to like about the casual games industry. The people are very friendly, excited and passionate about making games for everyone. Industry insiders rarely complain about politics in the office and the long hours they are forced to work. And get this: My mother, my sister–even my father will play our games.

I suppose, then that it's not surprising that we're starting to see our industry really take shape. Although casual games have been the ugly stepchild in the gaming industry for many years, our recent, impressive growth has enabled us to begin connecting the various links in the value chain, turning what once was a scattered handful of independent developers, publishers and distributors into a vibrant, self-sufficient, professional community. And the pay-off for all of us is that we are doing better work –and making more money –than ever before.

The Casual Games Association's Casuality conference series in Seattle and Europe and the Minna Mingles represent another logical step in our evolution, providing opportunities to discuss issues with each other in an open, non-confrontational and supportive fashion. What we're seeing is that when all of us come together –developers, publishers, distributors –we strengthen the links in the value chain and improve our chances of connecting with an ever-widening consumer base. And if we do that, the inevitable result will be healthy, sustainable growth for many years to come.

We've come a long way since those days of cramming into my tiny home office. And I can't help but feel that the fun is just beginning.

Enjoy the conference.

Sincerely,

Jessica Tams
Director, Casual Games Association

Online Casual Games Q&A

CGA Convinces Director Jessica Tams to Explain the Online Casual Games Business

In anticipation of Casuality Seattle 2006, we sat down with Jessica Tams–Director of the Casual Games Association–to get her to share some of what she knows about the growing online casual games industry. Here's what we learned:

What exactly is a casual game?

I think most of us would agree that casual games share four key characteristics:

1. Casual games are always easy to learn to play.
   They typically require very little up-front knowledge or skill to master the basic game-play–although they can still be very hard to master. Casual games are so simple that they typically have no more than one graphical instruction sheet.

2. Casual games can be played in a series of micro time slices.
   You can play for 5 minutes or 50 hours a week.

3. Casual games usually work well on any platform.
   A casual game may appear on the PC, Mac, Xbox, PSP, DS and mobile phones.

4. Casual games are always fun, and the best ones can be quite addictive.

I may have missed a nuance that's important to someone else, but I think that gets you pretty close to a good definition.

Who plays casual games?

The great thing is that casual games appeal to people of all ages and demographic groups. However, the "typical" player on online casual game portals is a 45 year-old female who makes around $35,000 per year. About half of all casual game players live in North America.

What is the standard business model?

Since we're focusing on the games that are played and distributed through online portals and downloads, I think you could reasonably say that there are three primary models:

1. Try, Then Buy
   Online publishers often introduce their games to new users through a free, downloadable trial. This demo is most often a fully functional game which disables itself after 60 minutes of play. Following the demo, users can continue to play by paying a one-time fee.

2. Advertising-Supported
   Sometimes you can download a fully functional game (or play it online) for free because the game is being sponsored by advertisers who help defray the costs of developing and hosting the content. Ads are usually displayed before, during, and after game-play.

3. Subscription
   A certain number of new games each month are available for unlimited play in exchange for a fixed monthly fee. These may be preceded by a free demo period as well.

I should mention that even within these monetization models, players may choose from among: single-player games, multi-player games (those pitting two or more users in head-to-head competition), and skill-based games (including gambling and tournaments for prizes and/or money).

Of course, the model is totally different on other platforms, but we'll have to cover those in some other Q&A.

What are the typical production requirements for a casual game?

For a "Top 10" quality online download game, you should count on engaging one to three full-time programmers and one or two part-time artists over the course of about six months. Accordingly, you could spend anywhere from $50K to $500K developing and delivering a top-notch game.

What are the most common tools developers use to build a casual game?

There are a lot of choices, of course, but among my developer friends the most popular are Garage Games' Torque Engine, C++, Microsoft's Visual Studio, and Macromedia's Director and Flash.

How much money does a casual game generate for everyone in the value chain?

Every deal is unique, but as a rule the revenue gets divided up like this:

- Developers 20% - 40%
- Publishers 10% - 25%
- Distribution Services 10% - 20%
- Distributors (Web Portals) 40% - 60%

Casual games are generally priced between $7.95 and $24.95, with actual purchases ranging from 5,000 to 20,000 units. You can do the math yourself from there.

What is the typical development life-cycle of a casual game?

It's not all that different from the life-cycle of any other kind of game. In my view, there are four critical steps:

1. Research
   Every good game that I know of starts with a good understanding of the marketplace. The best way to research what people are downloading these days is to play best-selling casual games. Then try to identify holes in the market that you can fill with something fun.

2. Experiment
   Creating about a dozen prototypes will allow you to experiment with enough ideas to establish which of your game concepts can be turned into full games. At this point, it also doesn't hurt to get the reactions of some trusted outsiders (preferably those who actually represent the target audience) so you have some perspective on what others think.

3. Develop
   Now the real work begins. Once you have decided on the development environment—be it Director, C++, Torque or whatever—don't forget to keep it fun for the coders along the way. As a former software engineer, I recommend dual flat panel monitors, dual processor machines, adjustable desks for your developers and all the tools they ask for. (All you developers out there can thank me later.)

4. Make It Fun
   Many of the top developers spend nearly half of their development time tuning and tweaking after the basic levels and code are completed. Don't be in such a hurry to finish that you neglect the attention to detail that turns a good idea into a real hit.

How important is it to follow some kind of formalized engineering process at this point?

I look at it this way: As the casual game industry matures, projects are becoming more and more complex. Solid development practices enable you to compete more effectively, especially as competition intensifies and higher production values become the norm. So like it or not, effective processes will become a necessity—if they aren't already. Besides, there is such a fine line between a game that makes money and a game that loses money that you want every advantage you can get. I realize that sometimes its seems like policies and procedures take some of the fun out of developing games, but ultimately making money is the only fun that really matters when your rent is due.

"Many of the top developers spend nearly half of their development time tuning and tweaking after the basic levels and code are completed."

Jessica Tams

Do you have any advice for engineering casual games?

In no particular order, here are six things to keep in mind if you're in charge of engineering a casual game:

1. Keep dependent libraries to a minimum.

2. Make all splash screens pull resources from an external image file.

3. Many portals will require their logo on your title screen and splash screen. Plan for it.

4. Before you put any links into your game, make sure you have permission from your distributor.

5. Test your game on a full range of systems, including (or especially) on your minimum spec machine.

6. Stay involved in online communities so that you are aware of issues and opportunities as they arise.

How about some advice for casual game designers?

OK. I suppose I should offer designers six pieces of wisdom as well:

1. Make sure you focus on your target demographic
   Casual gamers are totally different from your World of Warcraft buddies.

> "Customers return and purchase games for only one reason: Because they are *fun!*"
>
> Jessica Tams

2. Perform beta tests.
   If you take the time early to figure out what needs to be fixed and how users interact with your games, it will pay off big-time down the line.

3. Marketing and extras are not nearly as important as solid game play.

4. Be very careful about signing up expensive licenses.
   In my experience, licenses typically do not pay out with online distribution.

5. Don't make your game too complicated.
   Complicated game-play is a big turn-off in the casual games space. Focus on one style of game-play, gradually introducing only small modifications as players progress. And do not offer too many options at once.

6. Like I said before, it's essential to know what's going on in both the player and developer communities. Stay involved in the online forums.

Can you come up with six pieces of advice for marketing casual games as well?

Sure. Here it goes:

1. Be sure to have a clear marketing plan in place ***before*** your game is ready for release. Don't just wing it.

2. Take time to create nice presentations to pitch your games to the portals.
   Don't be afraid to spend a little time and money to make your new game irresistible.

3. Ultimately, marketing on the online portals will make or break your game.
   Talk directly with the portals to secure high-visibility placement—and do whatever you can to maintain that visibility once you've got it.

4. Pay close attention to download velocity, which is the number of customers who initiate a download of the game.
   If you're not maintaining a good velocity early on, you probably need to adjust your product placement and increase your marketing efforts on the portals.

5. Keep constant track of your conversion rate, which is the number of customers who purchase the game after a free trial.
   If you're not turning at least 1%-2% of your downloaders into paying customers, you probably need to improve the overall quality of game-play.

6. Participate in online communities.
   Good marketing depends on listening to the voice of the customer.

Any advice on the business side of casual games?

I can think of several really important things to keep in mind. Coincidentally, there are six:

1. Find yourself a good contract lawyer. So many bad deals can be avoided if you get a pro to take a look at the contract before you sign it. Some key issues to watch for:
   - Make sure you add an audit clause to all your contracts so that you can verify that you are getting paid properly.
   - Check carefully for the definition of Gross Revenue and Net Revenue. Some contracts have many deductions from their definitions of Revenue. If you're going to be charged for bandwidth, marketing, service or something else, you want to know how it is going to affect your take.

2. Do not sign exclusive distribution deals.
   You want to be free to sell your games all over.

3. Likewise, make sure you do not give away blanket distribution rights.
   Retain as much flexibility as possible.

4. If you have a finished game and would like help marketing and distributing it, take the time to speak to lots of different publishers and agents to make sure you are getting a good deal.

5. Don't send really long emails to portals.
   It's a waste of your time and theirs. If you want to do business with them, you have to be respectful of their time.

6. Participate in online communities.
   I hate to keep bringing this up, but the more involved you are, the better business decisions you will make.

Do we really need to work with a publisher?

Absolutely. As budgets increase and the industry becomes more complex, publishers are becoming an important factor in the industry. Not only do they possess expertise that you may lack, they can provide important outside perspective throughout the development process. The best publishers can help you develop your platforms, secure funding, evaluate game concepts and tighten game-play. In addition, publishers assist with testing, localization, marketing, and distribution. So although working independently gives you greater financial upside and creative control, a publisher may be the key to securing distribution, enhancing your marketing, and increasing your revenue.

How do I measure my success?

Ultimately it's all about the revenue, right? And experience shows that the typical conversion rate on a try-then-buy, downloadable game is only around 1%-2%. Obviously I don't know what it costs you to build a game (although I know what it *should cost* you), but you should be able to calculate how many total downloads you will have to generate in order to make that conversion rate profitable.

The bottom line is this: None of the rest of this stuff matters unless you are building good, high-quality games. If you remember nothing else from this conversation, remember this: Customers return and purchase games for only one reason: Because they are FUN!

That was a lot of information. Can we get more detail in the next issue of the Minna Magazine?

Absolutely. We are all about giving the industry as much information as we can. With the Indie Games Con and our visit to Russia coming up in Fall 2006, we will soon have other opportunities to give more detail about development and design. And of course, we'll share more about marketing and business at Casuality Europe 2007.

Jessica Tams is the Director of the Casual Games Association, is VP Product Planning, FUN Technologies, a Liberty Media Company. At SkillJam/FUN Technologies, Jessica is responsible for the product portfolio, including game catalog, web site design and user experience of skill, community and casual download product offerings. Previously Jessica developed, published and distributed casual, retail and Xbox games. Jessica's previous life involved Math, Physics and Computer Science. Jessica can be contacted at **jessica@casualgamesassociation.org** or +1 206-778-5134 from 9:00 - 9:30 AM (GMT-8) Tuesday - Friday.

Mobile Gaming is Casual Gaming

Why Casual Games Thrive on Mobile Devices

By Craig Holland

It has taken the mobile industry a while to figure it out, but it is finally beginning to acknowledge what many of us have known for some time. I'll write it slowly for those of you who haven't yet heard:

Mobile Gaming Is Casual Gaming

Let me type that once more, just to be clear: Mobile gaming is casual gaming. Want proof? According to Seamus McAteer, Chief Product Architect and Senior Analyst for M:Metrics, about 68% of all mobile downloads are casual games—even though they make up only about 50% of all available titles. "We have been tracking mobile downloads since November, 2004," says McAteer, "and casual games have always been the most popular." He cites this surprising statistic: Mobile users purchase arcade puzzle games (a category that includes Tetris and Bejeweled, for example) over 2.7 times more often than they do action, sports, racing and first-person-shooter games—combined.

As further evidence of the popularity of casual games on mobile devices, consider Telephia's top 10 money-makers during the First Quarter of 2006:

1. Tetris
2. Tetris Deluxe
3. Bejeweled
4. JAMDAT Mahjong
5. Ms. Pac-Man
6. Galaga
7. Downtown Texas Hold'em
8. Who Wants To Be A Millionaire 2005
9. Zuma
10. Monopoly Tycoon

Essentially every one of those is a casual game.

What accounts for the success of these titles on the mobile platform? Several factors work to the casual game's advantage:

The Mobile Audience Is Diverse

Unlike the PC gaming market, which skews heavily male, the mobile game market enjoys a much broader distribution, no doubt due—at least in part—to the fact that everyone (or so it seems) has a cell phone these days: male and female, young and old, grunged-out slacker and buttoned-up professional. And all of these people are candidates for mobile games. However, only casual games can truly claim to appeal to that full constituency, whereas the sports and adventure games which occupy a disproportional number of slots on mobile game decks continue to appeal primarily to the traditional, young male gaming audience.

Mobile Gaming Is for Filling (or Killing) Time

We've all done it. You find yourself waiting for the bus, or the doctor (or your date) and need something to burn off the ensuing minutes. It could be two minutes or 32 minutes—you never know. So you can't afford to launch a new level of Buford's Big Adventure in case you get interrupted just when the action gets good. So you play video poker or Luxor instead—games that can be enjoyed for a few minutes or a lot. Casual games. For more serious gaming, you'll want to set aside some time—and probably turn on your PC.

Mobile Devices Were Not Made for Gaming

Do me a favor: Take out your cell phone and flip it open (unless you still have one of those candy bar units). Look at that puny screen, the too-small keypad, the mystifying "soft keys." Now set it down beside your PC. Even if you have a Smartphone or a Blackberry you will see right away why it is so hard to make a hugely successful game for cell phones—and why casual games continue to dominate every mobile gaming Top 10 list out there.

All of the problems typically associated with mobile game development sound like opportunities to the casual game professional. Consider:

1. The Screen is Way Too Small, and the Resolution Stinks. Even the largest cell phone screens are a fraction of the size of a typical PC screen. And while the resolution of screens has improved dramatically over the last 18

months or so, for now the best you can hope for is QVGA quality resolution. The truth is that most of the phones out there on the market are still old and clunky, which means that game-play cannot depend heavily on graphics quality if a game is to achieve any kind of widespread penetration. That's bad news for console game publishers, but great news for casual game developers.

2. There's No Mouse!
   Every mobile game has to find a way to succeed using nothing more than the 12 buttons on the key pad—pressed one at a time. That makes it really hard to navigate a complex gaming environment or to execute complicated commands. And if you need a joystick, you might as well give up now. Games that require only rudimentary user input always—*always*—will do better in such an environment.

3. Limited Memory, Limited Processor, Inadequate Battery.
   Again, chipmakers and OEMs are making big strides in this area, but the fact remains that even if you wanted to you could never sit down for hours on end to play a game on your mobile phone (not yet, anyway). And since most games are downloaded onto the phone wirelessly (while burning precious minutes), the file's size had better be pretty small. How small? In most cases, you're talking less than 300K—total. Some of the high-end handsets are becoming capable of processing much more than that, but by and large the units most people have are still pretty basic.

4. User's Guide? Forget About It.
   Any mobile game has to be simple enough that anyone can figure it out without more than a half-dozen phone-screens worth of instructions. If it requires a crib-sheet to remember all of the commands you're in trouble. And unlike the online game world, in most cases mobile games must sell themselves with nothing more than a cryptic description and maybe a few minutes worth of demo. If it isn't easy to understand and play, you can pretty much count on it failing.

Casual Games Were Made for Mobile Devices

Just to make sure you got it (did I mention that mobile gaming is casual gaming?) Let me illustrate what I mean. Take a game like Luxor, for example, and consider why it is well suited for a mobile phone:

1. You can play it with one hand tied behind your back.
   The game mechanic is so simple you can conceivably play it with a single thumb. The primary game-play requires just three basic moves: left, right, and fire. Simple. And the user experience remains essentially consistent with what fans might have become used to when playing the game online. They don't have to relearn the game for the device.

"We're talking billions of dollars in revenue, of which even a small portion would make for a very comfortable retirement."

Craig Holland

2. You can learn it in about, oh, 30 seconds or so.
   The basic concept is straightforward and familiar: Make three in a row before disaster strikes. Even the PC version manages to put all of the instructions on one page. Such simplicity is ideal for the quick-play mobile environment.

3. It all fits neatly on a single screen.
   The entire game area is in front of you all the time, which means that you need not scroll or keep track of stuff you can't see. And that's true even for the smallish screens of older handsets.

4. You can play a single level in just a few minutes.
   Luxor is well-suited to be played in 5 minute snatches of time or in a prolonged session. It adapts to fill whatever fun-time you have available—exactly the sort of experience that most mobile users are looking for.

5. It's, um, "habit-forming."
   We hate to use the word "addictive," but for a game to be truly successful, people have to want to play it over and over, again and again—whether it's on a PC, a PS2, or a Motorola Razr. Luxor isn't one of those games which, once mastered, ceases to be entertaining. That's especially important in mobile since many users pay a monthly fee to continue playing a game that they like.

Surely there are examples of successful mobile games that do not meet all five of those criteria, but it's safe to say that the more of those you can satisfy, the better your chances of creating a hit.

A Final Word of Caution

The promise of casual games in the mobile arena notwithstanding, I can tell you from experience that mobile gaming is not for the faint of heart. Distribution is very difficult inasmuch as the bulk of downloads occur through the carrier decks, which means that you either have to develop those relationships yourselves or partner up with someone who already has. Furthermore, to be successful you have to create dozens if not hundreds of unique SKUs, each adapted to the unique characteristics of the various devices. (Sadly, OEMs have not yet settled on any sort of hardware standards, so each manufacturer retains its own special set of quirks.) Perhaps that's why so many successful online game companies are choosing to license their products to established mobile publishers.

Even so, there is plenty of money to be made. We're talking billions of dollars in revenue, of which even a small portion would make for a very comfortable retirement. And let's be clear: Someone is going to be making that money one way or another. So if you're game—so to speak—you should be figuring out a way to get your fair share.

After all: Mobile gaming is casual gaming. In case you hadn't heard.

Craig Holland is the Chief Executive Officer and co-founder of Freeze Tag, a publisher of best-of-class casual games wherever consumers want to play them. Prior to forming Freeze Tag, Craig founded Thumbworks, one of the pioneers in mobile game publishing, which was sold to In-Fusio in 2005. Over the years, Craig has been instrumental in bringing to casual gaming some of the world's leading brands, including Etch A Sketch, Nickelodeon, Suzuki, Paramount Pictures, and Honda.

10 Ways to Make a BAD Casual Game

Adaptation of keynote presented at Casuality Europe in February 2006

©Rendermack.com

By Jason Kapalka

When we founded PopCap Games in 2000 and launched our first title, Bejeweled, we had little idea our modest jewel-swapping game would help to pave the way for a whole new genre of "casual games." Of course, the DNA of the casual games industry goes back much further than this: to seminal puzzle hits like Tetris and various '80s arcade games; and to the "try before you buy" model of '90s shareware, typified by the breakout success of Doom.

But it took the widespread Internet access and e-commerce technology of the new millennium to really create fertile ground for the wild growth of the casual genre. Suddenly people who had discounted video games as toys for hyper-caffeinated teenage boys—the stereotypical "soccer moms" and bored secretaries, along with millions of other non-gamers—were finding games they could enjoy on the Web, with instant purchase just a credit-card number away.

Since then, PopCap has gone on to create nearly two dozen more games—including Bookworm, Zuma, Insaniquarium, and Chuzzle—and has grown from a three-man basement operation to a 50-person office in Seattle, with branches in San Francisco and Ireland. And the casual games market has grown alongside us.

As far as game design goes, nobody has ever found a surefire formula for creating a great new game—casual or otherwise. But over the years at PopCap, we have discovered a lot of ways to ruin one. Following are ten of the worst things you can do with your casual game design:

1. Make it really hard!

A lot of developers have picked up habits from the hardcore console or CD-ROM gaming markets—bad habits for casual games from which users typically are looking for a more easy-going, relaxing experience.

Don't use Ninja Gaiden or Nightmare-level Quake as your model for game difficulty. Don't punish newbies with violent death. Don't make people replay a level a half a dozen times before they can solve it.

No casual game has ever failed for being too easy.

2. Have a dozen mediocre game modes instead of one good one.

While variants and bonus games can help add perceived value to a game, there's a big danger if you can't decide on the single best default mode for a game. New players have no way of telling which mode is the right one for them.

You need to direct them to the best experience your game has to offer right off the bat. If you can't decide which of your game modes is the best, it probably means that none of them are very good.

3. Make it a 600MB download that requires 2 next-gen 3D video cards.

Casual gamers have old computers and they never upgrade their drivers, DirectX, or anything. Depending on the portal, up to a quarter are still using modems to access the Net. A similar number have video cards/drivers that simply will not support 3D in any reliable way.

If your game is a huge download that simply crashes if you don't have modern 3D equipment, you could be locking out up to 50% of your potential audience right off the bat.

Design your game for the hardware your audience has, not the hardware YOU have.

4. Sell your game from your MySpace home page.

Do your research and find out what e-commerce model will work for your game. The standard for downloadable games now is the one-hour trial with a $20 registration fee, but even that is not written in stone.

Be careful with your business decisions if you are looking for a publisher. It's a small industry, and publishers have

a lot of games to choose from now. If you are difficult to deal with it will get around fast. On the other hand, think twice before accepting the first deal offered—particularly if it involves an exclusive.

Creating a blockbuster hit game takes a lot of work and exploration of different game mechanics.

The following four screenshots represent the evolution of PopCap's Zuma from early prototype phase to the game which was finally released.

5. Use the right mouse button.

Or the keyboard. Casual game players don't often give a complex control scheme a chance. If they don't "get it" immediately they will move on to something else. Remember that many of them are not terribly familiar with computers in the first place, let alone the standard FPS mouse-keyboard config.

Use simple mouse controls and a single click to control everything.

6. Give it a terrible name or theme.

Themes that work well for Xbox or PC gamers are generally not so hot for casual gamers. This includes a title with any combination of the words Blood, War, or Assault, and themes featuring robots, bugs, skulls, or robot bug skulls.

Good names and themes are usually simple, straightforward, and cheerful (like Bejeweled or Zuma).

7. Keep the scoring really low.

When we were testing an early version of Dynomite, basic combos scored just one point apiece, and average games ended with a score in the low hundreds. Just adding a zero to every number resulted in players perceiving the game to be much easier and more enjoyable.

There are tons of seemingly illogical psychological factors like this at work in the perceived fun of a game. Don't ignore them! Make every single act in the game enjoyable for the user, whether or not it "makes sense."

8. Expect users to read.

Have a complicated game? Must users read pages and pages of tutorial text to figure it out? It won't happen. The more text you put in front of them, the less of it they will read. Casual gamers will read a line or two of instructions —maybe!

Your best bet for tutorials are visual and interactive. Ideally the game is so intuitive people will figure it out without ANY instructions. On the same topic, keep the back-story to a minimum —a screen or two before the game at most.

9. Make it challenging and cerebral.

There are lots of good hard mental puzzles out there, and they have their audience. For the most part, it's not this one. Casual gamers are looking less for the New York Times crossword and more for Solitaire.

Many casual games players cite relaxation as the major reason for playing games. For them, "mindless" is not a negative description for a game. They honestly want an activity that they don't have to think too hard about.

During the development of PopCap's Bookworm, while the basic mechanics of the game remain unchanged during development, significant changes were made during development to the look and feel of the game.

10. Ignore what everybody else says about your game.

Just because casual games are "indie" productions doesn't mean you can ignore your players' needs and desires. If you decide that you don't need or want input from anyone else, don't be surprised if your game ends up with a very small audience –that is, you.

When PopCap started, we used the "Mom Test." If our own moms could figure out a game without our help, that was a good sign. If they kept playing it after we left the room, that was even better.

Seek out feedback from as many people as you can at all stages of your game development. Most especially pay attention to the comments of people who do not regularly play games. They are much closer to your "real" audience than your hardcore game developer buddies.

> "Avoid titles with any combination of the words Blood, War, or Assault, and themes featuring robots, bugs, skulls, or robot bug skulls."
>
> Jason Kapalka

Bonus!

11. Rules are made to be broken!

A brief perusal of PopCap titles will reveal a fair number of games that don't follow all of the above suggestions, and there are several hit games from other developers that fly in the face of them as well. If your game is awesome, don't worry too much about whether it follows this or any other set of rules. Just finish it and get it out there!

Jason Kapalka is Chief Creative Officer and Co-founder, PopCap Games.

All game images used with permission ©PopCap Games

Developing for Xbox Live Arcade

An Interview with Reflexive Entertainment's Simon Hallam

By Ethan Clark

Microsoft's Xbox 360 Live Arcade (XLA) has attracted the attention of the gaming world by providing a refreshing contrast to the predictable content, cluttered shelves and overbearing development cycles common to big budget core titles. By offering casual titles on their device, which is favored by hard core gamers, Microsoft has raised the profile of casual games and introduced them to many who otherwise might not have been exposed to this type of game experience. While the philosophy of typical XLA customer is very different from that of the typical casual gamer, what they have in common is the enjoyment of retro and casual gaming. Further, Xbox Live Arcade shows that enjoyable gaming experience can now be easily shared with every family member.

One of the titles on the original Xbox Live Arcade release was Ricochet Lost Worlds –a game in the style of Atari's classic Breakout. Although porting a game to an emerging platform is always difficult, Reflexive Entertainment was able to complete the port of their original game using internal resources. Since then, Reflexive has continued XLA development with its recent port of Wik: Fable of the Lost Souls to Xbox 360 Live Arcade.

Creating a game for the Xbox Live Arcade is not an easy task inasmuch as console design feel and functionality must be integrated into the game, the game's framework must be ported just as any other PC title and the game must face the rigors of the full Xbox certification process. I sat down with Simon Hallam—who along with James C. Smith formed the engineering team behind Ricochet and Wik for XLA—to discuss Reflexive's experiences developing titles for Xbox Live Arcade.

Why did Reflexive decide to create a game on the unproven Xbox Live Arcade console service?

Simon: Ricochet is a game that appeals to both casual and hardcore gamers alike. It has a harder edge to its art style and music than most Breakout-type games in the market, and we felt that these would work well on the Xbox platform. Wik is a game that we felt would appeal more strongly to more hardcore gamers even before it was released in the casual PC gaming space. Since its core play mechanic is based on the development of skills which enable the player to control Wik with increasing finesse to perform acrobatic movements, we envisioned the control scheme working even better with a console controller than with a mouse. My base of experience and love of games in general is also firmly rooted in console development, so there was a strong desire to move Reflexive towards becoming a part of this exciting new service—and console development in general.

Do you think developers should focus on porting existing content as you did, or on creating new content? Is it better to create and tune a game on the PC before launching on XLA?

Simon: It is better to develop new content for a specific target platform—but development does not necessarily have to be running on the actual target hardware itself until you ultimately ship the product. Casual PC and XLA consumers have different expectations when playing a game—ranging from the way they expect to navigate menus and interfaces to the depth of the core concept and its execution—so the design should be tailored to the target platform. When developing Wik, we had a compiler option which would switch between building PC and Xbox 360 versions. We made the PC version work with Xbox 360 controllers plugged into USB ports so that everybody on the team could both work on and play the game without needing an Xbox 360 dev-kit. We also wrote modules so that the PC version would simulate users logging in and out of their Xbox Live account to post and view scores on the leader-boards.

How has your experience in big budget core games helped you create an Xbox Live Arcade title? For those moving from the core gaming space, what is the most important thing to keep in mind when making XLA games?

Simon: The most important thing to keep in mind is to stick to the relatively limited scope of a smaller XLA project. It is very easy to allow feature-creep to rear its head and play havoc with your development schedule. This is important in large games of course too, but when building a large game,

feature-creep can usually be absorbed more easily within the context of a large team and long development schedule. In an XLA game, however, the development cycle and resources allocation are compressed to such an extent that allowing even a small amount of feature-creep can have a serious impact.

team be familiar with all requirements pertaining to the areas of the product they are working on, from technical programming issues to game and user interface design issues. Getting a product ready for certification is no simple task, and the certification requirements need to be taken into account as early in the development process as possible—otherwise you might find that you have coded or designed yourself into a corner that is difficult to get out of. Reflexive also secured the services of an external team to help us in testing Wik and preparing the game for the certification process.

> "Microsoft has raised the profile of casual games and inserted them into the lives of many who might not have previously considered playing casual gaming titles."
>
> Ethan Clark

Screen shots from Reflexive Entertainment's Ricochet Series

Tell us a little bit about the certification process for the Xbox. What are the team resources required to comply with the requirements of an Xbox title?

Simon: The certification process imposes many rules and requirements upon a game. If a product violates any of these it will not be certified and therefore not released on the Xbox Live service. A project producer is ultimately responsible for the success or failure of a game in this respect, so as the producer on Wik, I needed to make sure that I was familiar with every part of the documentation describing these requirements and with the certification process itself. It is also necessary to ensure that every member of the development

In your opinion, what is the top reason that a game on the XLA is more enjoyable than on the PC?

Simon: Designing a product for a console removes several variables which exist in the PC game development equation. In particular, the technical specifications of the end user's system are no longer "minimum requirements" that can cause developers to design for the lowest common denominator in terms of CPU, memory, and graphics performance. You also know what type of input/output devices the user will have connected to the console and can design accordingly. This allows a developer to be less concerned with reaching a happy medium in which the game will perform well on a multitude of different systems, and it allows the developer to concentrate more fully on designing the best game experience possible on the target platform—which ultimately leads to a better gaming experience for the end user.

Simon Hallam is a versatile game developer, having developed more than 30 titles since he began his career at Rare Ltd. in 1988. His award-winning passion is in developing innovative game-play. Currently Simon works for Reflexive Entertainment, Inc. developing original titles for next-gen consoles.

Interview by PopCap Games' **Ethan Clark** who focuses on PopCap's alternative platforms including Xbox Live Arcade 360. Before joining PopCap, Ethan was the project manager for Oberon Media's externally published Xbox Live Arcade games. Ethan can be reached at **ewclark@gmail.com**.

International Language Localization of Casual Games

How to Design and Produce Games That Are as Localization-Friendly as Possible

By Heather Chandler

Introduction

With total North American revenues expected to grow from approximately $315 million USD in 2006 to more than $690 million USD in 2008, casual games already have a strong presence in the North America; likewise, they are quickly increasing in popularity in Europe and Asia, with total revenues in Asia and Europe of almost $500 million USD in 2006 and over $850 million USD by 2008 according to data provided by DFC Intelligence and the Casual Games Association. Several opportunities are available for developers and publishers looking to increase sales by tapping into international markets. By creating games that are easily localizable, developers and publishers will ensure they can expand their distribution reach and build an increased presence for their casual games in Europe and Asia. This article provides a brief overview of the international markets and presents information on how to create localization-friendly code. Finally, it details some other issues to keep in mind when creating casual games that will have broad international appeal.

International Markets

The European market has doubled every year since 2001 and is expected to continue to double for the next couple of years. Due to this growth, many casual gaming companies are quickly increasing their international presence. With offices in New York City, Paris, Singapore, Tokyo and Shanghai, Boonty, Inc. has invested heavily in localization and distribution services for international developers and portals. Mathieu Nouzareth, President of Boonty, estimates that while the European market is smaller than the North American market, the opportunity for growth in Europe remains significant. "Developers need to think about localization early in the process so titles can be easily and inexpensively localized," he says. "There is a potential to double international sales if developers create localization-friendly games, especially in Europe. English games will still sell in Europe, but the conversion rate is lower. However, in the Asian markets, localized games are a requirement. Japan, China, and Korea are not interested in distributing games unless they are localized specifically for the target country. Although it costs money to localize the games for these Asian countries, it is worth it to get the game out there."

Rather than waiting to localize content until after the game is completed, many developers have recognized the expanding opportunities available in international markets and are starting to prepare for localizations in pre-production. Wade Tinney, a co-founder of the developer Large Animal Games feels that this shift away from myopic US centric casual games is due to a combination of factors. Wade states: "A lot of it has to do with the market in the US maturing to the point at which it puts resources towards international business development. Also international businesses are taking notice of casual downloadable games as a viable market and building systems and infrastructures to support it. And of course, the most broad explanation is that there is a large and growing audience of customers who are discovering that there are games well-suited to them, whereas there perhaps haven't been in the past. High quality games that are smaller in scope, less expensive to purchase, and more accessible are bound to attract a broad audience, not just in the US but all over the world."

Because of this shift, developers are actively thinking about localization and altering their production pipeline so that localized games can be produced quickly and inexpensively. While this shift may take some time to be fully realized, there are some things developers can do to make games that are more localization-friendly.

The Seven Keys to Successful Language Localization

Taking into account localization requirements at the beginning of the development process will significantly decrease the difficulty of creating localization-friendly games. On the other hand, implementing these rules later on in the process—especially after the game is in full production—is not advised, especially since it will likely put the code release date of the primary version of the game in jeopardy.

Allow me to share with you the Seven Keys to Successful Language Localization.

1. Centralize All Language Assets
   Place all language assets, including all text and voice-over, into centralized and easily accessible directories. For example, create a directory called "Language" and store all assets that need to be modified for a localized version in there. This simple convention saves developers from having to sort through dozens of assets to locate the ones that need to be localized.

2. Do Not Embed Text in Code or Art Resources
   - Any text that is hard-coded is difficult to locate and localize. Additionally, there is a risk when changing hard-coded text—a code string could accidentally be changed or deleted.
   - Likewise, it's best to avoid creating game art with embedded text that must be localized later. Instead, make sure to include the text in the strings files. If text must be included in an art asset, create a separate layer for the text so the asset can be more easily updated.

3. Establish Logical Naming Conventions for Localized Assets
   If the game will be localized into multiple languages, you will want to establish a useful naming convention to make sure the correct language assets are grouped together and to ensure that all the language assets are properly localized. For example, you may want to post-fix all text variables or files that will need to be localized with "_loc".

4. Make Sure Text and Voice-over Files are not Concatenated
   Each language has different grammar rules, which means nouns and verbs will not appear in the same order in each language. In addition, many languages have masculine/feminine and formal/informal variants, which do not translate well when using concatenated text. Therefore, all text strings should be stored as complete logical thought patterns to avoid translations such as "dinners me likes eatings of" or "my mother came to visit, he had a great time with the children."

5. Use Icons Whenever Possible
   There is usually no need to localize an icon, so if icons can be used in lieu of text, the number of localization changes is minimized accordingly.

6. Use Scalable User Interface (UI) Elements
   Localized text can be 25% to 30% longer than English text, so be sure the UI has room to accommodate the additional characters. If possible, create buttons, boxes, and screens that can dynamically scale up or down to accommodate the adapted text.

"There is a potential to double international sales if developers create localization-friendly games."

Mathieu Nouzareth

7. Support International Characters
   If possible, make sure the game supports Unicode. This ensures that all major international character sets, including Asian ones, are supported. If Unicode is not supported, the game cannot be localized into any language that uses double-byte characters (such as Japanese) or bi-directional text (such as Hebrew).

Establishing some basic conventions such as the ones described above allows developers to standardize the localization process to create international versions more efficiently. Erik Goossens, COO of Zylom Media Group B.V., has standardized the process used at Zylom for that very reason. He learned from experience that it is best to work directly with the developers and ideally get access to the game's source code in order to create the best international versions.

Within this process, Erik says his localization group needs about 7 to 14 working days to localize an average game. "We have an internal testing department that checks the game assets and prepares them for the translators," he says. "All the in-game text is translated, and in the best case scenario, Zylom will receive the source code so that the translators can rebuild the localized versions of the games themselves. This allows them to see the translations in the game right away and gives them an opportunity to fix linguistic bugs. Once the translators are finished reviewing the game, the builds are sent to Zylom's technical QA department for functionality testing. Once the QA team is satisfied, the game is considered fully localized and is launched on the network." Zylom is able to create about one localized game per week, which in turns allows them to build up a good back catalog of games.

Production Issues

In addition to the Seven Keys of Successful Language Localization, there are also a number of issues to consider during production that affect how a game will be localized. There is no set rule for how to deal with these design issues, as each developer will have a different solution, be it a code change, design change, or asset change. For example, Gabriel Zichermann, Chief Marketing and Strategy Officer for Boonty, notes that although casual games are less complex than hard code games, their UIs are not necessarily easier to localize. In fact, localizing the UI for a casual game can be quite challenging since there is limited screen real-estate (as most casual gamers do not have 21-inch monitors). What's more, the UI needs to be as clutter-free and easy-to-use as possible, which means there is not a lot of space to accommodate additional text.

Accordingly, developers should consider all of the following issues during production of localized games:

Font Size

Fonts must be large enough that someone playing on a smaller monitor can read them. It is ideal if the font can be dynamically scaled so that text will automatically fit within the space constraints of the UI.

Command Inputs

When working on a game that requires keyboard commands, make sure that international keyboards are supported. You will want to either have the commands mapped to similar key locations (for example, upper right hand key functions the same way on all keyboards) or have specific keys mapped to the appropriate command (for example, the "x" key is always the JUMP command, regardless of where it is placed on the keyboard).

International Time, Date, and Currency Formats

Since there is nothing uniform about time, date, and currency formats, each must be addressed separately in a localization. This can be tricky when working with games with an economic component, for example, because not only will the currency format need to be changed, but the currency conversion rates must be accounted for as well.

Monitor Size

As mentioned previously, the UI for a casual game needs to be as clutter-free and easy-to-use as possible since most casual gamers do not have the screen real estate to accommodate large complicated UI interfaces.

Translation Services

There is one more component for developers to consider when striving to create a popular localized game, namely: Who is providing the translations? A developer can spend a lot of time creating localization-friendly code and setting up a solid localization pipeline, only to have poor-quality translations negatively affect how the game is received in the target country. If the game is poorly translated, players may well prefer to play the English version instead.

Goossens has solved this problem by hiring translators who are gamers. He feels that "gamers have an easier time translating the games. When we don't use gamers, the translations are more literal. With gamers, we have translators who will make suggestions on character names, locations, or other ways to alter the game to make it more appealing to each country."

Design Issues

Another area to consider when creating casual games for international markets is the game design and genre. Developers are now thinking about how to create games that provide an enjoyable experience to a wide variety of cultures without too much modification. Nouzareth claims that puzzle games have the most international appeal, while word games have the least. This is not necessarily because Europeans and Asians aren't interested in playing word games—instead it is because word games are difficult to localize, and therefore localized versions are not readily available in international markets. In order to properly localize a word game, high quality translations and an extensive dictionary are a must. Additionally, a lot of testing is required in order to ensure that the game play is fun and words are properly recognized. This can be cost prohibitive, especially since a completely new version of the word game must be created for each language.

By comparison, Zichermann feels that puzzle games are more popular with international audiences because they can be easily localized and made available. There is usually minimal text, the game-play mechanics are straightforward, and there is nothing too culturally specific (such as currency or location) that would be confusing to players in other countries.

Economically-oriented games are also difficult to translate for several reasons. First of all, accommodations must be made for local currencies and the monetary amounts need to be adjusted so they make sense to the player. For example, one US dollar is equivalent to over 100 Japanese yen, so if something costs $5 USD in the game, the amount needs to be adjusted to maybe 600 Yen to make sense to a Japanese player. This means allotting extra room in the UI for the additional numbers and using the correct currency symbols.

In addition, there are cultural issues to consider when

dealing with economy-based games. Zichermann cites Diner Dash, a popular game in the US, as an example: "Diner Dash is a successful game in the US but it has not been launched in Europe yet. The notion of a 'diner' is not a concept that exists in many other countries. Also, for a lot of cultures, food service is a career, not a temporary job. So it is less likely that this game will have a strong appeal in international territories—for most Europeans, this game would not make a lot of sense."

Tinney also offers the example of a game developed a few years ago by Large Animal Games called Saints & Sinners Bingo: "The game features a US-focused set of characters who are traveling across America to play Bingo. While Bingo is popular around the world, with many variations on the rules, we used a US rule set. This game poses a tall localization challenge, mainly because there is a lot of humor in the game in reference to different American stereotypes and cultural behaviors. If we do end up localizing this game, it will likely be more of a regionalization with completely new content, an international set of characters, and international locations. However, as we are learning more about the international market for casual downloadable games, we are thinking more carefully during pre-production about how to create games with more international appeal."

Conclusion

Opportunities in international markets are growing, and it is in the developers' and publishers' best interests to capitalize on this growth by offering games that appeal to international audiences. This does not mean that every game must appeal to every person. If that were the case, games such as Diner Dash and Saints & Sinners Bingo would not exist. It does mean that localization issues should be thought about before production begins so the code can be localization-friendly and cultural issues can be addressed if necessary.

Heather M. Chandler is a game development consultant with ten years of experience in the entertainment software industry. Her company, Media Sunshine, Inc., provides services to game developers, publishers, and vendors. Prior to the creation of MSI, she held various production roles at Ubisoft, Electronic Arts, and Activision. Heather is the author of The Game Localization Handbook and The Game Production Handbook. She is currently working as a consultant with SDI Media (**www.sdimediagroup.com**), a leading localization vendor in the entertainment and interactive industries. Heather can be reached at **heather@mediasunshine.com**.

Entering the Casual Games Market

Advice for Developers Who Are Thinking About Creating Their First Casual Game

Art from HeroCard: Galaxy coming this summer

By Robert Carroll

When it comes to games, I pretty much know what I'm doing. I've written game designs before and followed the traditional path for developing a big budget, multi-million dollar, AAA title: create a design document, secure funding, assemble a team. Casual titles, however, don't seem to follow this same model. So I searched for advice and began compiling the collective wisdom I found.

"How do I make a casual game?" I posed this question to a number of people during a recent Minna Mingle. "I have a novel idea for a game, and I've got some funding; but where do I go from here?" With each new bit of information the picture became clearer –and the need for a summary of what I was learning more obvious. So, in order to keep you from having to repeat my quest, here are the tidbits I gathered.

What is a casual game?

A casual game is usually a smaller game, both in size (ranging from 10 to 50 megs) and in game play time (offering on average 10 to 30 hours of unique game play to the user). Most casual games are targeted at mainstream Web users, and thus the games tend to be easy to learn, non-violent and not especially complex. Users can log in, play for a while, and log out, feeling they have had a fun experience. While the preceding is a generalization, it describes most of the casual games currently in circulation.

Where do I start?

As with writing, the hardest part of creating a casual game is getting started. An understanding of the market will help generate ideas and narrow down the possibilities. Tough market research is the best place to start. Learn what types of games are out there and what the components of these games are. Some good sites I've found are: MSN games (**zone.msn.com**), Playfirst (**www.playfirst.com**) and Pogo (**www.pogo.com**).

After researching the market, the next step I would recommend is learning about the development community. A good starting point is the Casual Games Special Interest Group at the International Game Developers Association (IGDA) (**www.igda.org/casual**). The IGDA offers a great environment for developers of all experience levels to come togeth-

er, exchange ideas, and ask questions. I highly recommend joining the mailing list. Another helpful site is the Casual Games Association (**www.casualgamesassociation.org**). The CGA (which also published this article) is an organization that will allow you to get to know developers, publishers, distributors and portals in the casual games space.

Why make a casual game?

This year I spoke with many casual game developers. The majority of them worked in small teams with established technology. The beautiful thing about casual games is that a small group of people can use existing technology to create a game in a fraction of the time and at a fraction of the cost required to create a AAA title.

> "Start small. A simple game gets your team working in the development environment and establishes its ability to create a game."
>
> Robert Carroll

What language is the code written in?

The programming language a developer uses depends on the comfort level of the development team and the requirements of the distribution method. The most common languages are Visual C++, Torque, Flash, Java, Perl, and Director. More information about the technology behind creating a casual game can be found at **www.igda.org/casual/quarterly/1_1/casual.php**. For links, downloads and information on various development tools, check out **http://abattoir.wolfpaw.net/personal/gamelibs.php**.

Who is involved with creating a casual game?

Three groups are involved with getting a game from the mind of a designer and delivering it to the desktop of the end user.

1. Game developers use passionate and creativity to take an intangible idea and solidify it with code.
   Developer teams range in size from a single person multitasking all of the jobs needed to create a game to large development teams of 10 or more.

2. Publishers are a tremendous resource for small developers.
   Publishers can polish a developer's game and shop it around to distributors. They can also find funding to create a game or the resources needed to finish an existing one.

3. Distribution portals are web sites that offer end users a collection of games to try out and (we hope) purchase.

What to do with a great idea.

Once you have a solid idea, it's time to create the design document. The most important part of any game, the design document acts as your guide in determining the scope of the project, creating the development schedule and project tasks, and allowing others to understand what you're creating. Books I've found helpful in the design process are: *Game Design Workshop* by Tracy Fullerton, Christopher Swain and Steven Hoffman and *Game Development and Production* by Erik Bethke.

The next step is to build your game, though it need not be your "masterpiece." A new developer or studio needs a track record to give publishers, portals and investors an example of your capabilities. Few things are as important in this industry as having released titles to show your competence, bring in income, and give you a morale boost. Accordingly, it is often in the best interest of a new development team to start small. A simple game gets your team working in the development environment and establishes its ability to create a game. It can also display your potential to publishers or investors. Don't panic if creating an entire game seems overwhelming. Start with a proof of concept for your game or a prototype that highlights a particular aspect of the complete game, then build the rest of the game as funding and new ideas appear.

Where can I get help along the way?

It is possible to have a great design, full documentation and a working prototype but not have the funds or capabilities to finish it. I'm of the opinion that it is better to call in help than to have a game languish in development for years. When looking for people to help work on a project, a great place to start are schools with game development programs and skilled students looking to work on a title in production. Programs such as The Art Institute (**www.artinstitutes.edu**) and Full Sail (**www.fullsail.com**) have staff advisors that can help to place students with a developer.

The project listing page at Gamasutra (**www.gamasutra.com**) is another place to post for help. Don't expect to get good reli-

able work from people for nothing, however. Be prepared to offer cash or a piece of a game royalties to get experienced, skilled people. Offering stock or shares in a developing company is something to be avoided, however, inasmuch as having ownership of company spread amongst too many people can scare away potential investors.

IndieGamer (**www.indiegamer.com**) offers a strong community of message boards for independent game developers with areas for help wanted and game feedback. Garage Games (**www.garagegames.com**) has an active community for help with advanced topics in engineering, audio, production and art.

Getting your game into distribution.

You have finished creating your first casual game—now what? The traditional model for game distribution is for a developer to make a game, package it, and ship it to retailers. To give a frame of reference from personal experience, a game that will retail at $19.99 will cost approximately $3 dollars per package to manufacture (for a small game run of around 50,000 units). This includes a box, CD, jewel case and a 10-page rule book. Another 10-30% comes off the top for fulfillment (taking the finished boxes from the manufacturer and getting them into retail stores)—that's about $4 per box. You can count on 10-25% of the retail price being allotted for advertising and marketing—about $2 per box on the low end. So do the math: That's about $9 per box just to put a game on a retail shelves. Most stores take 40% off the top of the retail price for their expenses, and larger chain stores can demand even more. What all that means is that on a $20 game, a developer may net just $3 per unit, or a 15% return. To make matters worse, these manufacturing and distribution costs must be paid before any revenues from the game are seen.

A new choice for developers is to release their own games online. With this model the developer creates its own web site to entice players to try (and eventually buy) its game. Self-distribution leads to higher profit for the developer but comes with a number of concerns. How does a relatively unknown developer draw people to its web site? Viral marketing is currently the cheapest way to promote your name. Links to a game site on other web sites frequented by the target demographic is a relatively low-cost, effective marketing tool but may be viewed as spam and anger some players. Another concern with self-distribution is how to collect the cash. Trymedia, Plimus, RegNow and PayPal offer possible solutions. Other issues with self-distribution are Web hosting, security (hacking and game stealing) and network infrastructure (to handle the traffic).

If self-distribution doesn't sound appealing, a distribution portal could be the answer. It is through portals that most small developers get their games out to the public. In exchange for a percentage of the revenue (retaining 20% to 30% of sales is typical for a first-time developer), a distribution portal will modify your game to work with their online distribution tools, put the game online for trials, sales, and downloads, and provide advertising on their site. While the price is high, the larger portal sites can receive over a million hits a week, offering a new developer a tremendous number of impressions (the number of times a customer views a game or advertisement). In addition to providing higher visibility, the portal sites will handle hosting the game, collecting and distributing revenue, and maintaining the majority of the back-end network. In some cases, a portal will act as a publisher for a developer, getting a successful game placed onto other portal sites as well. Distributing through a portal can even offer access to the major game sites, such as MSN, Yahoo, and AOL.

One last word of advice: When shopping a game around for distribution, look over the contract carefully. Make sure that you protect your IP (to retain the rights to your creation) or that you are properly compensated to surrender those rights. Likewise, be careful not to grant exclusivity to any portal without receiving a higher payment percentage in return. Other issues to be aware of are how long your game will remain on the site, what advertising/marketing will be provided, and whether the portal will offer the game to other portal sites. In any case, it is well worth it to engage a good contract lawyer to ensure that your rights are properly protected.

Conclusion

The potential of the casual games market is undeniable, with millions of dollars being spent and continued growth expected. Independent developers have the ability to create a name for themselves that is rarely available in the AAA arena. User-friendly development tools and digital game distribution give access to game development at little to no cost.

Hopefully the information above will show a starting path for getting into the casual games space. A little bit of information can lower that initial barrier to entry. With luck and vision these can be the first steps in creating the next great casual game.

Robert Carroll is a Game Producer for TableStar Games, LLC. TableStar Games is dedicated to exploring new ideas in games and gaming with its innovative new tabletop game system, HeroCard coming in the summer of 2006. Robert can be reached at **robert@tablestargames.com**.

Playing the Outsourcing Game: A Hands-on Guide

How to Exploit External Resources for Casual Game Development in a Global Market

By Alla Khramtsova and Alexander Zaslavsky

The fast growth of the casual games industry in recent years has attracted a number of new players to the market while established game companies seek to expand their business both in scope and size. One of the basic problems facing both American and European companies is choosing a sound business model for organizing the game production process.

The present day casual gaming industry is characterized by a few very important and closely related trends: 1) growing customer expectations; 2) increasing complexity; and 3) the rising cost of designing and developing new products. As a result, more and more companies are looking for development alternatives that can help them lower the costs of production without compromising the quality of the product.

Choosing to Build, to Buy, or to Outsource

Whether a company is trying to enter the casual gaming market or is aiming at expanding its operations, there are the three main routes it can take, each having its own pros and cons:

1. Setting up a brand new development studio
2. Acquiring an established studio
3. Outsourcing development altogether

Of these, setting up a new studio is probably the most difficult inasmuch as it requires higher initial investments both to set up adequate infrastructure and to find and hire a skilled development team.

The other two approaches are less prone to failure, as they supposedly build upon an existing team and allow a company to draw heavily upon previous experience, established brands, and proven IP. The choice between these strategies may be based on several considerations. While the purchase of a studio may be more cost-effective in the long run, outsourcing requires significantly lower initial investment and allows for more cautious testing of a new market. In fact, a relationship can be started on a project-by-project basis and may ultimately lead to investment or acquisition down the line. In any case, cost considerations make it reasonable to shift at least part of the design-development-marketing chain into countries with cheaper, skilled labor resources.

Outsourcing can be a good solution in two ways: first, at each level of game production, outsourcing can help to split the complexity into more manageable pieces; and second, outsourcing to cheaper markets may reduce costs without degrading the quality of the final product. In fact, the cost savings may even make it possible to add bells and whistles to games that could not be added otherwise.

Eastern Europe: A Popular Outsourcing Destination

One of the most popular outsourcing destinations nowadays is Eastern Europe. Game development in Eastern European countries often started in research institutes where IT workers had just enough free time, knowledge, enthusiasm, and unused creativity to create some really compelling IP. The best known of these is Alexei Pazhitnov, the legendary father of Tetris.

Analysis of living conditions in Eastern European countries gives a clue to the understanding of this market's explosive growth, both in reference to the number and the size of IT companies. As a result of lower cost of living, prices are more than competitive in Eastern Europe, where an average-skilled programmer is paid less than 50% of what a similar programmer would receive in the USA or in the most developed EU countries.

Outsourcing companies are concentrated in big and industrially-developed cities which are simultaneously scientific centers with many universities and research institutes: Dnepropetrovsk, Kiev, St. Petersburg, Kaliningrad, and Novosibirsk (Russia), Kharkiv (Ukraine), and Minsk (Belarus). Local "silicon valleys" have grown strong in these cities thanks to a high concentration of highly-skilled and inexpensive workers living in tough economic circumstances. Such conditions make these cities fertile ground for in-

vestors seeking high return on investment in the game development business.

The Benefits of Outsourcing to Eastern European Studios

There are now big studios in Eastern Europe providing highly-professional game development services with teams who have a strong history of fulfilling their contractual obligations with proper resources and experience. The benefits of working with an established Eastern European game development studio are numerous:

> At each level of game production, outsourcing can help to split the complexity into more manageable pieces.
>
> Khramtsova and Zaslavsky

Low Cost

All of these markets enjoy large cost advantages over the US and Western Europe. Even within Eastern Europe, however, costs will vary. For example, it tends to be more expensive to develop in Russia than in Ukraine, where for the same money you can hire a more experienced professional than in Russia.

Highly Skilled Programmers and Artists

Because of the excellent training and experience of developers in Eastern Europe, the quality of their work is comparable to that of developers anywhere else in the world.

Project-based Billing

Work is mostly done on a project basis in Eastern Europe, thus eliminating the risk of paying for people to become trained (or worse: to sit and do nothing). You simply pay for the final product that is tuned completely to your liking, regardless of how many man-hours it takes to get it that way.

Available Resources

There is an abundance of talent in Eastern Europe, which makes it easy to find resources for just about any project. And of course, the bigger the company the better. Although a company with just 10 people may find it hard to immediately allocate resources for your project, if there's 50 people on staff, your project can get resources at once.

Smooth Communication

Deep experience in the IT field, combined with a high level of English proficiency, eliminates most communication challenges and simplifies the translation of technical documentation.

Conclusion

Before deciding to engage a company to build the game of your dreams, it's of utmost importance to have the understanding that outsourcing is a service and a continuous process. It takes time and mutual effort to learn to understand each other and create a good working relationship.

Eastern Europe is a region which is close to Western Europeans and Americans, not only geographically, but also mentally and culturally as well. Its full potential is yet to be discovered.

Alla Khramtsova and Alexander Zaslavsky both work for Absolutist Ltd., an experienced team of professionals in programming, design, multimedia and marketing that create and publish games for Windows, PalmOS, PocketPC, Mac, Linux, Windows for Smartphone, Symbian series 60, Symbian UIQ, Smartphones, N-Gage and J2ME platforms. The company also creates Flash, Java and JavaScript games. Absolutist began developing casual games in 2000 and now has over 70 employees, 60 unique titles for PC, and 25 titles for handhelds.

Note: The Casual Games Association will be co-hosting an event in Eastern Europe Fall 2006. Visit our web site for more details.

Turning Demos Into Sales

Using Digital Rights Management to Enhance Your Demo Strategy

By Michael Mei, Reflexive Entertainment

So you want to increase sales? You can't help but wonder if a standard 60-minute time-out on a demo is sufficient. As developers, we all struggle with how to best build our games so that we can maximize our conversion ratio (sales-to-download) and increase our sales. The casual games space registers an amazingly low 1% conversion rate for downloadable games—meaning that 99% of all players who download our games are not buying them. If we could just increase that conversion rate from 1% to 2%, we could double our sales and the entire industry would grow. It's a simple ideal, but difficult to accomplish.

As developers, we have to find creative approaches to ask for the sale. May I suggest several ways to construct a game to increase conversion while providing a tailor-made demonstration experience, one which accommodates a wide variety of players with different skill levels.

Time Restrictions

A standard 60-minute timer is a great tool to limit game play. It is definitely the easiest tool to implement and can be universally applied across numerous game titles efficiently. However, a timer by itself may not be the best way to maximize your conversion ratio. Because some players may have enough skill to finish a game within the time-trial period, you may also need to introduce a restriction to prevent them from going beyond a certain level without buying the game.

Feature Limitations

Another possibility is to lock some useful features that players may consider a perk (such as Save Game, Insane Mode, or Bonus Levels/Worlds, for example). By making these features available only within purchased versions, you're much more likely to turn fans into owners.

Advancement Interruptions

A more aggressive demo strategy is to stop the game just as the player is about to defeat the "Boss." (Please purchase now to continue!) This method can be effective inasmuch as it creates a sense of urgency, especially when the player has invested a lot of time and effort into the game.

Extended Trials

Once a player installs a game on the desktop, you should try not to lose that real estate—or that potential customer. One strategy is to offer a perpetual, extended trial (of maybe two minutes or so) after the initial 60-minute trial has ended. In this scenario, a user could play the game for no more than a couple of minutes after each launch of the game. (It's important to note that the extended time period should not be long enough to progress through the game.) The extended trial period keeps the game on the desktop and serves as an ongoing advertisement to buy the game.

> "99% OF ALL PLAYERS WHO DOWNLOAD OUR GAMES ARE NOT BUYING THEM."
>
> Michael Mei

Digital Rights Management: The Key to an Effective Demo Strategy

Usually the best way to implement a combination of these limiting elements is to have a Digital Rights Management (DRM) system, which allows you to check the "purchase status" of a game at any time. There are several DRM companies offering fully integrated Software Development Kits (SDKs) that allow in-game and on-the-fly checks. These SDKs allow developers to stop the game at any time and ask for the sale. Once the purchase occurs, players can then pick up right where they left off, which many describe as "bullet in mid-stream purchasing." Of course, limiting a demo in such a way requires work—programming work. At the very least, the DRM needs to be queried at certain spots of the game to see if the game has been purchased to allow a feature to function.

Conclusion

The real point here is that developers no longer need to simply hope for a purchase when they have the ability to develop a well thought-out demo limitation strategy. With today's DRM offerings, you can combine a variety of restricting elements to aggressively create a purchase without significantly compromising the user's demo experience.

Casual Games Leader Since 1999

Pogo™ brings a leading edge gaming experience to a vibrant, engaged global audience. The development of games with broad appeal and infinite replayability, combined with unique community features and rewards distinguish this favorite entertainment destination.

©2006 Electronic Arts Inc. Electronic Arts, EA, the EA logo, Pogo and pogo.com are trademarks or registered trademarks of Electronic Arts Inc. in the U.S. and /or other countries. All right reserved. Pogo™ and EA™ are Electronic Arts™ brands.

CJ Internet
www.cjinternet.com

Netmarble
www.netmarble.net

NetMarble

No.1 Online Game Portal in Korea

Why NetMarble is becoming the most anticipated game portal in Asia?

We love challenge

NetMarble is a great place for gamers who love challenge.
NetMarble has published most creative games and built most diversified game portfolio for all ages.

We love friends

NetMarble is the ultimate gathering place for friends and community.
NetMarble is the most populated game portal where people enjoy socializing with other gamers

We love games

NetMarble is a exciting place beyond your imagination.
NetMarble has already created buzz all around the world such as China and Japan.

NetMarble, where the fun begins…

SUDDEN ATTACK

The No. 1 MMO FPS in Korea with the largest concurrent user base

THE S

The real time strategic MMORPG game based on Greek-Roman Mythology

Online baseball game
MaguMagu

MMO Casual Baseball game with cute characters and actual professional baseball league data

VanillaCat

First fashion avatar game for fashion enthusiasts

2006 IGDA Casual Games White Paper Excerpt

International Game Developers Association (IGDA)
Casual Games Special Interest Group (SIG)

The International Game Developers Association (IGDA) Casual Games Special Interest Group (SIG) is pleased to present this white paper to the community. This document covers many aspects of the casual games industry including: an overview of the entire space; in-depth discussion on the various business models currently in use; information about the process of producing and designing casual games; a technology overview outlining the most commonly used tools in this space; and finally a section on how to actually bring a casual game to market.

This document was written by volunteers working in the casual game industry and as such represents the best knowledge from the people who actually make casual games on a daily basis. Each contributor provided their time and expertise freely and willingly as an effort to help everyone better understand this growing game space. As with our previous paper, our goal is to provide solid and accurate information to anyone who is interested in casual games. We anticipate the document to be most useful for those on the business side of the industry, but we do hope that everyone will find something of value here.

The Market Overview section which follows provides the basis for the scope and scale of the full paper. It outlines the aspects of the casual games industry covered throughout the white-paper and should provide a solid basis and high-level overview of the entire space.

The full-PDF version of the 2006 Casual Games White-paper is available on our web site (**www.igda.org/casual**) and contains complete and in-depth coverage of every section.

Additionally, this paper exists on the IGDA's wiki for continuous updates and improvements: **www.igda.org/wiki/index.php/Casual_Games_SIG/Whitepaper**. While the PDF provides a snapshot in time, we expect the wiki to become a living document that will be improved and expanded upon continuously. In that light, if you find something in the PDF that you would like to add to or feel is inaccurate; please make those changes on the wiki.

On behalf of all the contributors to this document, we hope that you find this information useful, and that it helps you achieve success.

Margaret Wallace, Co-founder/CEO, Skunk Studios – Editor
Brian Robbins, Director of Games, GameTrust - Chair
IGDA Casual Games SIG Steering Committee

Introduction

The casual games market has become a big business, attractive to investors and entrepreneurs alike. Over the past few years, casual games have gone from a cottage industry to one of the highest growth areas in the overall video games sector. The casual games industry has grown from almost nothing in 2002 to well over $600 million in 2004 in the United States (US). By 2008, industry experts anticipate that the market will reach over $2 billion in the US alone. For the past several years, thousands of casual games have sprung up all over the Internet, as well as on mobile, console, and even in boxes at brick-and-mortar retail outlets.

When you are in the business of casual games, you are reaching virtually all demographic sectors. Women in their forties comprise the typical casual game player -- but so do men, teens, kids, college students, seniors and international audiences. Even hard core game players take a break every now and then to play free online poker games and online pool.

In December 1999, Media Metrix reported that 54.1 million people played a PC game, with 36.5 million of the total players playing Solitaire and other Windows-bundled games such as FreeCell. Perhaps this explains why men and women over the age of fifty comprise of the largest age group playing online Bridge on the America Online (AOL) game service at any given point in time. Without a doubt, more people from around the world play casual games than any other kind of video game.

Although Internet access and broadband adoption have played a significant role in the growth of the casual games sector, it's the game industry's embrace of online distribution for casual small file web and downloadable games that has been the major driver. By leveraging the Internet as a unique platform for the creation, monetization and promotion of gaming content, the industry has created a new channel that both drives and is driven by consumer demand. Today, casual games are among the stickiest, most sought-after content online, and major game sites routinely top Internet site rankings. Interestingly, the major form of online game content is no longer game reviews, but it's the games themselves. Whether played in a web browser or as a fully featured download, casual gaming has moved well beyond the realm of niche into the mainstream.

Additionally, the ease of online distribution has made casual games eminently accessible to non-traditional gaming audiences, particularly female players who may have never even considered themselves "gamers" per se. This overall accessibility, combined with uncomplicated gameplay and risk-free business models such as try-before-you-buy, has been the key to the success of the casual games industry.

Despite the ubiquity of casual games on a variety of gaming platforms, however, this white paper mainly focuses on casual games found on PC and Mac platforms that are played as online or downloadable games. For more information about the presence of casual games on mobile gaming platforms, please refer to the International Game Developer Association's (IGDA) 2005 Mobile Games White-paper (www.igda.org/online/IGDA_Mobile_Whitepaper_2005.pdf) or refer to the IGDA's Mobile Games Special Interest Group (SIG) web site (www.igda.org/mobile).

What Are Casual Games

The term "casual games" is used to describe games that are easy to learn, utilize simple controls and aspire to forgiving gameplay. Without a doubt, the term "casual games" is sometimes an awkward and ill-fitting term -- perhaps best described as game for everyone. Additionally, the term "casual" doesn't accurately depict that these games can be quite addictive, often delivering hours of entertainment similar to that provided by more traditional console games. To be sure, there is nothing "casual" about the level of loyalty, commitment and enjoyment displayed by many avid casual game players -- just as there is nothing "casual" about the market opportunity and market demand for these games.

Video Game Audiences: Hardcore, Core and Casual Gamers

A recent AP-AOL study indicates that 40% of all people in the United States turn off their televisions in favor of playing some type of video game (Source: "Poll 4 in 10 Americans Play Video Games"(**http://www.mercurynews.com/mld/mercurynews/business/technology/14526158.htm**), May 8, 2006). It is estimated that almost 100 million people in the US will play a computer game this year alone and yet not all gamers are alike. Within the games industry, players are often assigned to one of three broad (and overlapping) categories:

1. Hardcore Gamer: Gamers who typically play high-action, extremely competitive games that require a greater degree of involvement or dexterity in order to progress.

2. Core Gamer: Gamers who typically play games with a steeper learning curve or games that require some level of deeper involvement or complex tactical challenges.

3. Casual Gamer: Gamers who play games for enjoyment and relaxation rather than games with steep learning curves or requiring high levels of commitment or involvement.

While these audience segments are not mutually exclusive, these distinctions are useful for understanding the different types of video game experiences and play patterns that typify each group.

Characteristics of Casual Gamers

For the purposes of this white paper, however, we are focusing on casual game audiences. To some extent, though, the typical casual gamer is hard to define, especially since casual games are played by so many kinds of people from around the world. Despite the limitations imposed by these categories, here are ways in which casual games audiences are generally conceived of in terms of demographics, their favorite genres, and what's understood as their typical gaming patterns:

Demographics

- Generally skews older (35+), though casual game players can be found among college students, teens, school-aged children as well as seniors.
- While the gender break-down of casual game players can vary greatly from genre-to-genre and even from game-to-game, the largest audience remains women aged thirty-five to fifty.
- The proliferation and popularity of casual games has greatly contributed to an explosion of women on the video game scene. Women comprise forty-three percent of all video gamers, according to a 2005 survey conducted by the Entertainment Software Association, up from thirty-eight percent in 2003 (Source: Pioneer Press (**http://www.twincities.com/mld/twincities/living/14502122.htm**), May 7, 2006).
- Furthermore, a recent study conducted by the Consumer Electronics Association (CEA) puts forth that there are more women gamers than males in the twenty-five to thirty-four age range, with the average age being around thirty years. In this age bracket they say sixty-five per cent of women play video games compared to only thirty-five percent of men. (Source: New York Times (**http://www.nytimes.com/2006/04/17/technology/17drill.html?ex=1147233600&en=4ee4dae89714ecea&ei=5070**), April 17, 2006.)
- While the typical core gaming audience is male and aged eighteen to thirty-four, casual gamers tend to be both women and men between the ages of thirty-five and sixty-five, with a slight demographic skew towards women.
- Gradually, the number of men playing casual games is increasing, but today's market reality requires a focus on female players.
- While women represent the largest category of consumers for these games, they may also be buying these games for their husband, children, household or even as gifts.

Typical Gaming Patterns

- The play patterns of each audience segment vary dramatically, with some female players over the age of forty spending upwards of nine hours per week playing online games. These long online play periods are often divided into small game sessions.
- Pick up and drop games multiple times per day.
- Relaxation, diversion, socialization and community are key drivers for casual game play as opposed to overt competition.
- This average play time is much lower than hardcore gamers' title play commitment near release, but is much higher than the mass-market retail gamers' average play time.

Favorite Genres

- Puzzle Games
- Card or Solitaire
- Light System Management
- Casual Action

Points of Access

- Downloadable PC & Mac versions to play offline
- Online play
- Increasingly other gaming platforms (e.g., mobile, console)
- A wide variety of users now see the Internet as a primary entertainment medium, and casual games comprise a main staple of the entertainment value of the Internet. As the audience for online content grows, so does the amount of money spent in the space.

Responding to Audience Needs and Demands Keeping the play and consumption patterns of this worldwide mass audience in mind, successful casual games must:

- Seem accessible to players with varying levels of familiarity and dexterity with computer controls;
- Engage players who may not be familiar with various game genres
- Attract players by offering easy-to-learn games that are inviting and generally non-violent;

- Interact with players who are accustomed to user interface conventions from the traditional retail market.

Clearly, growth in the market shows that gaming is no longer reserved for traditional gaming audiences and that it is only a matter of time before the right casual games spark interest for the mature consumer at large, both men and women alike. When this happens, casual games will truly move from mass market potential to mainstream reality.

Common Industry Trends and Market Forces

While there is no disagreement about the tremendous potential of the casual games industry as a whole, its component segments have widely differing growth rates, accelerators, inhibitors and key participants.

In the following sections, we will explore the definition, trends, accelerators, inhibitors and future potential of each vertical profiled in this White Paper, namely:

1. Core and Casual Downloadable Games & accompanying Web Versions
2. Web and Community-based games (games played only online)
3. Skill-Based games
4. Advergaming

Web Demo/Downloadable Games

Overview

The core and casual downloadable games sector grew over 100% from 2003-2004, reaching over $115 Million in North America alone. The industry caters primarily to a mass-market audience of consumers that have little overlap with traditional game buyers. Although numbers for core and casual downloads are not separated in the IDC forecast, most industry experts believe casual games comprise the majority of this revenue today. An explosion in the number of titles, distribution points and marketing investment is driving growth in this sector. The casual game audience is relatively untapped both in terms of potential consumers and volume of downloads.

The downloadable games market is a North America-centric business today with less than 25% of revenues coming from other territories. Global sales are increasing quickly with top English-language games selling well internationally —even to non-English speaking consumers —as a result of the games' more casual and intuitive play pattern. Additionally, leading channels are increasingly focused on developing localized distribution channels and pursuing localized content, which will be a key revenue driver in 2006 and beyond as evident by the recent purchase of Zylom in Europe by RealNetworks purchasing.

Key market forces at play that impact all of these game types one way or another:

Market Force	Impact	Explanation
Increased Investment in Casual Games	High	Publishers, Retailers, Aggregators and Developers have significantly increased their investments in the space over the past few years. A large number of new entrants into this space, including traditional console makers, are driving the market forward. Costs for production also continue to rise.
Consumers Spend More Time Online	High	There is a continuing shift of consumers who spend more time online as compared with other forms of passive entertainment, including watching television or listening to music. Increased broadband penetration gives players easier access to casual game content.
Consumers Increase their Comfort with Gaming	Moderate	As non-gamer consumers increase their gameplay capabilities, they become progressively more comfortable with gaming, increasing the future likelihood that they will try a gaming product from a trusted source.
Developers Push Forward New Genres or Themes	Moderate	The development of new and unique game types, modes of play and genres will increase the addressable market opportunity. Examples include adult or mature themed titles (Leisure Suit Larry) and Core/Casual combinations (Bricks of Atlantis).
Core-Casual Crossover	Moderate	Increased game availability, regardless of genre, raises consumer awareness and willingness to try games online. This helps attract new players to the casual games space.

Downloadable games are typically offered in try-before-you-buy (TBYB) mode and/or as part of a subscription service, often with a free web game demo that is available to provide cross-marketing to the TBYB version and/or as an advertising revenue generator in its own right. The free online

version usually offers consumers unlimited game play but with a restricted feature set, while downloadables typically offer the entire feature set but only one hour or less of trial play, forcing users to purchase the game for unlimited, offline gameplay. Distribution of these TBYB games is carried out by major portals filling the "retail" role (Yahoo! Games, RealArcade, MSN Games, Shockwave.com, AOL, and Pogo), developer sites (WildTangent, PopCap, GameHouse) and aggregators providing game channels to numerous third-party web sites (Oberon Media, TryMedia, Boonty). Core games are distributed mostly by major gaming portals (Gamespy/IGN, Gamespot), Peer-to-Peer Networks (KaZaa, Grokster) and distributors (TryMedia, Softwrap).

The casual download market was historically devoid of publishers, with game developers distributing directly to the portal "retailers". While developers still distribute directly to these portals, recent growth in the market is fueling the emergence of publishing entities -- enabling more successful developers to even start publishing third party titles as well. The upside to this trend is that this new breed of publishers provides industry experience, funding and distribution to content developers. However, developers who work through publishers will often lose control over the distribution and ownership of their intellectual property (IP) creations – something they've traditionally held onto up to this point. A full-service publisher should ideally provide technology infrastructure, focus testing, quality assurance testing, and marketing and PR services for its titles/developers. We expect this trend towards the emergence of publishing entities to continue as the market matures and conditions become less friendly to new developers self-funding and self-distributing their content.

The core and hardcore downloadable market is dominated by the major traditional publishers, such as Activision and Electronic Arts, with some notable exceptions. Independent, large developers have had some recent successes in self-distribution, including the breakthrough of Valve's Half-Life 2 and Team17's Worms. Online core game publishers like GarageGames are also evangelizing the opportunity for independent developers to produce games explicitly in the downloadable format. Although there is some disagreement, most industry observers expect a healthy online market to develop for both niche core games and franchise add-ons that will bypass the retail channel completely. The greater penetration of broadband and faster connection speeds will greatly reduce download wait times and increase consumer acceptance.

With relatively low development costs ranging from under $50k to over $150k (and rising), developers face a unique set of opportunities and threats in the casual games market. On one hand, low development costs improve the chance of a positive return on investment. On the other hand, low development costs increase the volume of new titles entering the market, resulting in greater royalty and distribution competition. In contrast, the development requirements for core games are almost identical whether retail or online distribution is being used.

Casual Genres

The top selling casual genres today are Puzzle games, Mah Jong, Sudoku and Casual-Action games, Word games, and Card & Board games. "Fun" and "accessible" are key attributes that determine market potential for casual games. However, it is important to read the genre list with the understanding that there is no set common definition in the mind of the casual game consumer. The casual nature of the games provides a huge opportunity for developers to innovate and explore with new creative styles and types. Some representative examples of downloadable casual games include:

Puzzle

- Mystery Case Files: Huntsville, (Big Fish Games) **http://www.bigfishgames.com**
- Magic Match, (Oberon Media/Codeminion) **http://www.oberongames.com**
- Tropix, (Gamehouse/Robot Super Game) **http://www.gamehouse.com**

Mah Jong

- Mah Jong Quest, (iWin) **http://www.iwin.com**
- Mah Jong Adventures, (Skunk Studios) **http://www.skunkstudios.com**
- Mahjong Escape - Ancient China, (Playtime) **http://www.mahjongescape.com**

Word

- Pat Sajak's Lucky Letters, (Adveractive/Playtonium) **http://www.playtonium.com**
- Super Wild Wild Words, (Gamehouse) **http://www.gamehouse.com**
- Big Kahuna Words, (Reflexive) **http://www.reflexive.net**

Casual-Action

- Cake Mania, (Sandlot Games) **http://www.sandlotgames.com**
- Feeding Frenzy 2, (PopCap) **http://www.popcap.com**
- Diner Dash, (PlayFirst/gameLab) **http://www.playfirst.com**

Card & Board

- Ancient TriPeaks, (Toy Box Games) **http://www.toybox-games.com**
- Sudoku, (GameDesire) **http://www.gamedesire.eu**
- Hotel Solitaire, (Zylom) **http://www.zylom.com**

At this point in time, most casual games are consumed as either downloadble or online games. Downloadable games are principally single-player experiences today. The free web demo versions that upsell the premium downloadable games are also usually single player experiences that offer very limited replay value. The goal of the free web demo is to upsell one to try and download the offline version of the game, though they often generate significant ad revenues in their own right. Web demo games are not built for evergreen online game play. This is very evident by comparing simultaneous game player numbers on online gaming services that offer web demo games and online games that are built for true online game play experiences like Poker, Hearts and Yahoo! Games Pool. In the last year, some companies are adding community elements to web demo games such as high scores, chat, and award challenges in order to try to increase web demo game usage and try to further monetize the web demo game time with advertising. It will be interesting to see if downloadable casual games start offering multiplayer experiences and more robust online game play like true online single and multiplayer games that are built for online play as its main focus.

Business Model Considerations

Try-Before-You-Buy is a central characteristic of downloadable games, although 2005 has seen a resurgence around advertising revenues generated through online game play. To a large extent, however, developers and distributors of games make money only when games sell. While on the surface this is no different than packaged goods sold at retail, the reality is that marketing and promotion of casual games only drives free trial downloads. Therefore, it is the sole job of the game during the trial period to create an experience that is rewarding enough to drive a purchase or conversion to sale. As mentioned in the preceding section, companies are trying to integrate advertising into the web demo as well as the free trial period of the downloadable game in an effort to monetize free game play time, however developers often do not benefit directly from the generation of these ad revenues.

The core gaming market offers PC downloadable games that most people are familiar with because PC game publishers spend millions of dollars advertising and building their brands. The challenge is that PC publishers to date have largely used online distribution to generate incremental revenue from PC box games that have been in the retail channel for at least several months. This trend is, however, changing. By contrast, the majority of casual downloadable games have no brand recognition, and developers lack the resources to spend significantly on advertising or marketing. Therefore, casual developers are very dependent on portals and gaming sites to promote their games.

Viral marketing can also help online titles succeed. Whether it's by word of mouth or explicit viral features, the pass-along rate of a title can have a significant impact on its revenue. A highly viral title may experience from 7-17% pass-along sales under ideal conditions. This number will be highest if viral marketing is built into the game, peer-to-peer distribution is used, and the anti-piracy technology allows for revert-to-trial capabilities.

Industry conversion rates to sales vary dramatically from channel to channel, and region to region but a good rule of thumb for an average game is around a 1% conversion from download to purchase, with top performing games converting at significantly higher rates during different periods of a game's lifecycle. Although the majority of game sales tend to take place in the first twelve to sixteen weeks, mass-market, and especially casual games, tend to have more "evergreen" sales patterns, often generating significant revenue for years. In the following sections of the white paper content strategies will be outlined to improve overall conversion rates.

Key Players in the Casual Games Space

Major Online Retailers

- AOL Games: **http://aolsvc.aol.com/onlinegames**
- Big Fish Games: **http://www.bigfishgames.com**
- Miniclip: **http://www.miniclip.com**
- MSN Games: **http://zone.msn.com**
- Pogo: **http://www.pogo.com**
- RealArcade: **http://gamedevs.realarcade.com**
- Shockwave.com: **http://www.shockwave.com**
- WildTangent: **http://www.wildtangent.com**
- Yahoo! Games **http://games.yahoo.com**

Aggregators Providing Retail Game Channels to 3rd Party Web Sites

- Boonty: **http://www.boonty.com**
- Oberon Media: **http://www.oberongames.com**
- Trymedia Games/Macrovision: **http://www.trymedia.com**
- Zylom: **http://www.zylom.com**

Publishers

- GameHouse: **http://www.gamehouse.com**
- GarageGames: **http://www.garagegames.com**
- iWin: **http://www.iwin.com**
- MumboJumbo: **http://www.mumbojumbo.com**
- Oberon Media: **http://www.oberongames.com**
- PlayFirst: **http://www.playfirst.com**
- PopCap: **http://www.popcap.com**
- Reflexive: **http://www.reflexive.net**

Developers

- Ganymede Technologies: **http://www.ganymede.eu**
- Hipsoft: **http://www.hipsoft.com**
- LargeAnimal: **http://www.largeanimal.com**
- PopCap: **http://www.popcap.com**
- Reflexive: **http://www.reflexive.net**
- Sandlot Games: **http://www.sandlotgames.com**
- Skunk Studios: **http://www.skunkstudios.com**

Web and Community-based Games

Overview

Web games are games that can be executed from within a web browser without the need of external (.exe) installers. Common examples include Flash, Shockwave and Java games found on many game web sites, as well as custom C++ games delivered via an ActiveX control.

Community based games can be loosely defined as those game experiences where the game is built for true online game play and can be both single and mulitplayer games. Because portals are aggregators of audiences, community becomes an important way for users to define themselves and for portals to define and target their services accordingly. It is also widely understood that community elements within games are an extremely powerful retention tool: audiences feel that they have an investment in their community personae. Unlike web demo games that upsell downloadable games, web and community online games not only offer community elements integrated into the game but the games themselves are also robust and offer long periods of game play. Single-player web demo games, in contrast, tend to have low game duration and retention rates.

There are a number of business models that rely on web games, many of which are complimentary to each other and will be discussed in greater detail in the business model section:

Advertising

The most common examples are web games deployed on destination portals surrounded by advertising units. These units are either sold by a company's direct sales team or purchased from an advertising network. Revenue increases with a game's traffic popularity, the surrounding units' sell-through rates and the units' market values.

Sponsorship

These are games developed with deep integration of sponsor branding. Sponsored web games are deployed either on destination portals or on the sponsor's web sites. Some of these sponsor web sites have enough traffic and game selection to be considered a portal in their own right. Some developers offer turnkey solutions that include games, web site design, hosting and management. For more information, see the Advergaming section.

Subscription

Many community-based gaming services generate significant revenue from end-user subscription fees, usually in the $5-10/month range.

IDC estimates advertising and sponsorship revenues in online gaming at over $200 million in 2004, growing to $500 million by 2008. Although web games do not account for all this revenue, a significant portion can be attributed to the traffic generated by web games.

Top Genres

Web game genres vary as widely as every other game platform. And like other platforms, genre popularity varies between age and gender groups.

The following genres tend to skew younger and male: Action/Arcade, Sports, Strategy, Role-Playing Games (RPG).

The following genres tend to attract older users and be more evenly divided between genders: Board / Card, Casino, Puzzle, Action Puzzle, Word.

Certain Puzzle and Action Puzzle titles have mostly female audiences. All of the above genres can be created as multiplayer, but today we typically only see Card/Board, Word, and Casino games with multiplayer features.

Characteristics of Successful Games

Features that are typically associated with community-based gaming include: chat, points based rewards systems, prizing, persistence features, tournaments, ladders, message boards and friend/buddy lists.

The types of games typically found on community gaming services range from single-player to group and competitive games with persistent identity. Most services also offer cash competition options, allowing users to play a ladder or tournament for prizes, otherwise known as skill-based gaming. On the whole, most community gaming services focus on casual games and generate their revenue from subscription fees and advertising. Although not totally dissimilar to persistent-world MMOGs, community-based games differ in that their focus is almost exclusively on casual games/gamers and the game play experience is built for quick and short game durations. The games exist primarily online – however there are various examples of sites with minimal downloadable/retail product crossovers that include things such as prizes and points based rewards systems.

Many portals develop their own community-based game titles, although they are often based on existing game concepts such as Hearts, Backgammon, Mahjong and Go. These simple titles, typically delivered as Java applets (but increasingly moving away from Java and towards Flash), provide little room for third-party developers to bring licensed content to the experience because they are more expensive. However, there is increasing potential demand for such applications.

Because the major portals are also key distributors for downloadable, skill-based and ad-supported games, there is some inherent conflict in the revenue mix they pursue. Community-based games, with their internal development, sunk costs and recurring revenues are a huge attraction for most portals. One other added advantage to sites including community-based elements is that they can add significantly to the amount of time users spend on the site. For example Jupiter/Media Metrix reports that in 2004, casual gaming portals had the highest time-spent per user online of any type of site. As portals increase the amount of time spent on their site, they also increase the opportunity for users to subscribe, download or view advertising – all of which increase their revenues.

However, recent trends suggest that more and more portals are moving toward web content that supports downloadable games without the inclusion of community elements. This trend is commoditizing sites that do not invest heavily in community-based games. There are also instances where portals will ask for joint development of community-based web games in support of downloadable offerings. The advantage of this model is that developers can leverage users' familiarity with existing community-based games to increase the sales of the corresponding downloadable. The development of community-based titles typically requires the integration of APIs that will allow the game to integrate fully with the community services offered on its intended distribution sites. Providing such services and APIs is seen as the key way for portals to maintain their unique identities and to continue to add value as development shifts more and more to outside developers and publishers.

Key Players

The following list represents the most highly trafficked web sites that publish web and community-based games. Many of the sites listed also offer other game content (casual downloads, game reviews and other editorial, console previews, cut-scene movies, etc.)

- Addictinggames.com (**http://www.addictinggames.com**)
- AOL Games (**http://aolsvc.aol.com/onlinegames**)
- Coffeebreakarcade (**http://www.coffeebreakarcade.com**)
- Freearcade.com (**http://www.freearcade.com**)
- GameDesire.com (**http://www.gamedesire.com**)
- GameHouse (**http://www.gamehouse.com**)
- Games.com (**http://www.games.com**)
- Grab.com (**http://www.grab.com**)
- iWin (**http://www.iwin.com**)
- iWon Games (**http://games.iwon.com**)
- Jigzone (**http://www.jigzone.com**)
- KewlBox (**http://www.kewlbox.com**)
- Kraft Entertainment (**http://www.candystand.com**)
- Lycos Network Gamesville (**http://www.gamesville.com**)
- MiniClip (**http://www.miniclip.com**)
- MSN Games (**http://zone.msn.com**)
- My Way Games (**http://games.myway.com**)
- Pogo.com (**http://www.pogo.com**)
- PopCap (**http://www.popcap.com**)
- RealOne Arcade (**http://games.realarcade.com/realarcade**)
- Runescape (**http://www.runescape.com**)
- Sandboxer.com (**http://www.sandboxer.com**)
- Skilljam.com (**http://www.skilljam.com**)
- Shockwave.com (**http://www.shockwave.com**)
- Slingo (**http://www.slingo.com**)
- Trygames (**http://www.trygames.com**)
- Uproar Network (**http://www.uproar.com**)
- Yahoo! Games (**http://games.yahoo.com**)

Skill-Based Games

Overview

The skill-based gaming industry has had about seven years of operating history, led mostly by privately owned firms striving to achieve or maintain profitability in a competitive market. Over the last year, there has been a great deal of consolidation in the United States and two companies have emerged as the leaders in this category worldwide. SkillJam, owned by FUN Technologies who is 51% owned by Liberty Media, has the largest skill-based gaming partnerships in the United States. FUN Technologies recently acquired Worldwinner and is in the process of merging SkillJam and WorldWinner. King.com, a private company based in the United Kingdom, is the skill-based gaming leader in Europe. The U.S. and European companies are entering each other's territories of dominance to try to be the worldwide leader.

In this context, a "skill-based game" is a web game played in a tournament format, with each player paying a cash entry fee to play, and with a cash or merchandise prize going to the winner or winners of the tournament. Skill-based games are named accordingly because the outcome of each competition is based on the players' ability and performance, with any elements of luck either eliminated or greatly reduced. This is critical, in order to be legal and avoid falling under anti-gambling statutes.

The laws governing skill-based gaming in the U.S. are on a state-level; there is no applicable federal statute. Even with scoring based on factors of skill rather than luck, skill-based games are not legal in every state. The exact states where skill-based gaming is proscribed vary from provider to provider, based on the readings of each state's law by their respective legal counsels. The most significant states where skill-based gaming is not permitted, on which all skill game providers appear to agree, are: Arizona, Florida, Iowa, Louisiana and Maryland.

Although there is nothing inherent about skill-based gaming that makes it applicable to casual games but not applicable to non-casual games, to date all economically successful skill game sites have been those that offer casual games as the basis of their tournament offerings. There have been several companies that have attempted to use the same economic model with more hardcore offerings, such as first-person shooters, but have failed and subsequently shut down.

There is a dearth of accurate market data publicized on this nascent industry. As is typical of most early stage market assessments, the limited amount of publicized skill gaming market data has generally been restricted to "top down" macro economic extrapolations. Although this document contains macro economic research, it also includes "bottoms up" micro economic estimates based on empirical operating information.

As a sub-category of the overall online gaming sector, the skill-based gaming industry will likely experience similar growth. In 2004, there were roughly twenty to thirty companies that could be categorized as skill-based game providers. Today, that number has decreased to fewer than a dozen companies, which generated roughly $100 million in revenue in 2005. With a compound annual growth rate of between twenty-five and thirty-five percent, skill game tournament entry fees should exceed $1 billion by the year 2009.

Although still not a household term, skill gaming continues to experience increasing consumer awareness. Arguably the biggest contributors to this increased awareness have been portals that have developed an appreciation for the skill gaming business model and transcended their initial regulatory concerns. Currently, the network of portals partnering with at least one skill game service provider includes Yahoo, AOL, Pogo, MSN, Lycos, RealNetworks, BoxerJam, Shockwave and Miniclip.

Further contributions to consumer awareness of skill gaming are expected to come from the large online casino and sports book operators who view skill gaming as a logical (and more regulation-friendly) extension of their core business. Additional consumer awareness will be derived from the increasing number of mobile and iTV skill game applications.

Characteristics of a Successful Skill-Based Game

Outcome not based on luck

In order to be legal in most states, a player's score in a skill-based game must be substantially based on skill, and not on factors such as luck and randomness. Skill-based game creators have employed a variety of techniques to turn otherwise luck-based games into skill-based games. Example: in a game where the initial setup of the game would have a huge impact on the scoring – such as the shuffle of cards in a card game – all players in a tournament could receive the same shuffle.

Cheat-resistant

- Because money is at stake based on the result of a tournament, the impetus to cheat in skill-based games is far higher than in other online game offerings. Games offered by successful skill-based game providers need to be designed and implemented in ways that make it impossible for even fairly technically-savvy players to cheat. Companies employ a variety of mostly

proprietary techniques to foil and/or catch cheaters, which are discussed in more detail in the Technology Overview section of the white paper.

- Short-playing time – Experience has shown that games with a short playing time have generated the most money for skill-based game providers. The reason is that, like slot machine players in a casino, skill-based game revenues come from a relatively small number of players (relative to the entire population of casual game players on the web) who tend to play repeatedly. A short game length means a greater number of tournament entries per unit time. For example, chess –which seems like it should be a natural for skill-based gaming –has not been economically successful, in part because of its fairly long game length. Furthermore, skill-based game players are predominantly women, more than half between the ages of twenty-five and fifty-four. Given these players lead busy lives, and many of them are moms with even less free time, they enjoy games that can be played in short 10 to 15 minute bites, or even less.

Highly replayable

- Again, because skill-based games need to be played many times by each player to be commercially successful, games whose design and/or amount of content makes them highly-replayable without starting to seem repetitious have an advantage. Examples of highly replayable games would be a solitaire, in which the millions of potential card shuffles make the game different with each play; a Boggle-style game, in which the layout of the letters adds variety from play to play; or a jigsaw puzzle game, in which a large supply of different shaped pieces and images keeps players playing.

Narrow scoring range

- Players are mostly likely to keep playing in skill-based tournaments when they win, or at least lose by a small margin. So devising a scoring system for a game that keeps a fairly narrow margin between the most-skilled and least-skilled players will promote replayability and avoid discouraging newer, less-skilled players.

Player Ranking

In order to give less-skilled players a chance to win, most skill game sites employ a ranking system of some type to match players of similar skill level into tournaments. Thus, very skilled players play only against other very skilled players, players of moderate skill play only against other players of moderate skill, and so forth. These ranking systems tend to be both highly sophisticated and based on proprietary formulae, and are discussed further in the Production and Design section of the white paper.

Ranking systems work best when there are a lot of players being matched and a lot of tournaments in which to match them. This allows skill game providers to create narrow margins of skill within a given tournament, increasing the percentage of time that a lower-skilled player can win. Thus sites with high traffic volume will inherently be able to provide a more "fair" experience for their players.

Key Players

Key players in the skill-based gaming industry include (listed alphabetically):

- Arkadium (**http://www.arkadium.com**)
- Game Account (**http://www.gameaccount.com**)
- GameDesire (**http://www.gamedesire.eu**)
- Gameduell (**http://www.gameduell.de**)
- Gametrust (**http://www.gametrust.com**)
- Greentube (**http://www.greentube.com**)
- King (MidasPlayer) (**http://www.king.com**)
- Madwin (**http://www.madwin.com**)
- Moneygaming (**http://www.moneygaming.com**)
- SkillJam (**http://www.skilljam.com**)
- WorldWinner (**http://www.worldwinner.com**)

Advergaming

Overview

Advergaming continues to become a larger niche within the casual games industry. Advergaming is loosely defined as "the use of games to deliver advertising messages, drive traffic to web sites, and build brand awareness." Advergames are now used to sell everything from cars and shoes to servers and soda, and cover most major industries, companies and product types. Branded games can be found in instant messaging applications, banner ads, rich media placements, mobile devices, interactive billboards, traditional web sites and pop-ups.

The core premise of advergaming is a simple value exchange: the user gives a brand their eyeballs for three to five minutes at a time, and the brand gives them an entertaining game (usually for free) with embedded marketing messages touting the product, service or industry. Advergames are distinguished from in-game advertising and product placement by the fact that they are designed explicitly for the purpose of marketing a brand.

Advergaming is one model for cutting through the

clutter of today's ad-saturated environment. The average American child today is exposed to forty thousand ad messages each year and American adults are often exposed to thousands of ads per day in one form or another. The advantages of advergaming lie both in the amount of time a user is willing to spend with the brand as well as in the stronger associations created through effective gameplay.

With syndicated advergames ranging from $10,000 to $35,000 and custom-built games with budgets from $25,000 to $500,000, these small games can be cost effective, attractive alternatives to traditional integration into console games. It is difficult to find market research or data that tries to size the advergaming industry as it relates to casual games. In the video game industry, revenue from advergaming is estimated to grow from $200 million in 2004 to $1 billion in 2008.

Unlike the rest of the casual game space, advergames have a much more limited distribution network. The games primarily receive their distribution in one of three ways:

1. Microsites
   Custom sites typically developed around the game, or the messaging surrounding the particular ad campaign's branding. These sites are usually hosted by the brand, and need to drive revenue in and of themselves. The best examples become virally spread, and can receive millions of visitors.

2. Branded Portal
   These are portals that are built and paid for by a brand. One of the longest running examples of this is Candystand.com which has a large number of games supporting Wrigley brands. Other examples include Nabiscoworld.com and Postopia.com.

3. Traditional Portal
   There are a couple portal sites that also offer advergame content. Within the past year Shockwave.com has had several advergames built for various clients.

A special case exists for Entertainment companies with sites like nick.com, DisneyBlast.com and CartoonNetwork.com The games which appear on these sites serve a dual-purpose of advertising and promoting the brand, while also being an end product for site visitors to enjoy.

There is also a growing trend of integrating games and advergames into larger, multi-channel campaigns such as Nike's multi-channel advergaming campaign on www.NikeGridiron.com. Interestingly, Nike created both a web-based version of MVE that ran on the site, and a stand-alone arcade version for select NikeTown retail stores in the US.

The number of specialist advergaming developers has grown alongside increased interest in the sector. Shops like Blockdot, Freshgames, Fuel Industries, Powerful Robot, and Skyworks now also market themselves as experts in the advergame industry.

Traditional advertising agencies are also taking a more active role in advergames, with some opening entire divisions devoted to marketing in the video gaming world. Examples include Starcom Media Group's Play division, as well as The Bounce Interactive Gaming Group at Young & Rubicam.

Although advergaming is a relatively new field, its growth has been extraordinary. By combining the major strength of gaming (user immersion) with the capital of advertising, this sector of the industry is poised to continue its signifigant growth rate. Venerable industries such as food, entertainment, automotive and financial services have all had significant success with advergames, propelling developers like Skyworks, Blockdot and Freshgames forward. The increased attention to games from all sectors of industry, notably the advertising agencies, promises that advergames will form an increasingly large percentage of the marketing mix.

Top Advergaming Genres

Traditionally there have been two styles of advergames, and the developers who create them. On the low-end, are quick reskins of existing games and game mechanics with logos incorporated into the experience. These are generally very cheap to build for the developer, and have somewhat limited returns for the advertiser. An example of this would be a typical match-three style game with the pieces replaced with pieces of candy. Most casual game developers can potentially reach the types of advertisers who are looking for this style of simple advergame. However, the payoff may or may not be worth the effort and the market for this is shrinking as advertisers realize the limited value of such offerings.

On the other end of the spectrum are custom built game experiences tuned to promote an advertisers brand and marketing message. These games are much more time consuming to build, often reaching budgets of over $100K with a few having budgets in the $1 Million+ range. However, this type of game is not something a traditional casual game developer has the ability to deliver. These games are only financed by the largest corporations and typically go through their ad agencies. In order to reach these agencies, a developer must focus on advertising, and realize that their main function will be that of a marketer or ad agency, not a game developer. Additionally the sales cycle for these projects is

extremely long, often lasting twelve to eighteen months between initial contact and closing the deal, with an additional six to twelve months of development.

That said, there is room within the advergaming space to expand out into genres that are otherwise not profitable in the casual game space. The goal of an advergame is to provide a fun play experience while promoting the positive aspects of a brand. They are meant to be played, but do not have to be commercially successful. This means that advergames can expand into genres that generally do not sell well, such as racing, or retro-arcade, while focusing on fun gameplay that accentuates the brand.

Retro Arcade

There is a definite nostalgia for games of the past, and often they are considered chic and trendy. Some marketers attempt to capitalize on this "retro chic" movement with new takes on old games. Examples:

- Nestle - WONKAnoid Breakout (**http://www.wonka.com/games/WONKANOIDBREAKOUT.asp**)

Puzzle

Puzzle games are well established, cheap to make and easy to re-skin for multiple clients. With simple mechanics and rules, they are very safe interactive options for brands, but usually offer limited messaging immersion opportunities compared to other options. Examples:

- Post Cereals – Postopia (**http://www.postopia.com/games/gamepage.aspx?siteGameID=343**)
- Lifetime Television – Place the Face (**http://www.candidemedia.com/placetheface**)

Racing

Racing games are another genre that can easily be re-skinned for multiple clients. They also incorporate simple mechanics, and are obviously attractive to car companies looking to create a virtual experience for potential buyers. Examples:

- Uniroyal – Fun Cup Fun Cup (**http://80.237.207.52/funcup/index_fmx.php?fileLanguage=eng**)

Strategy

Strategy games come in many different forms and levels of complexity, but this flexibility allows marketers to make strategy games as simple or complex as they like. Deeper gameplay often allows more messaging to come out. Examples:

- HBO – Fate: the Carnivàle Game (**http://www.hbo.com/carnivale/games/index.shtml**)

Trivia

Trivia games can be used to educate the user about the brand or product. They are also easy to update and re-skin. Examples:

- Hawaiian Punch – You Don't Know Punchy (**http://www.hawaiianpunch.com**)
- Lifesavers – Bet Your Lifesavers: The 90s (**http://www.candystand.com/games/gamepage.aspx?gameid=190**)

Traditional Sports

With the massive popularity of sports themed video games, marketers consistently look to them to connect with audiences. The sub-genre of Extreme Sports allows marketers to align with hipper, younger audiences: Examples:

- Coca Cola – Championship Run 2006 (**http://champrun.com**)
- Coors Light - Trauma Tour (**http://www.coorslighttraumatour.com**)
- LG – Action Sports Championships Thrash N' Burn Trailer Park (**http://www.shockwave.com/sw/content/thrashtrailer**)

Role Playing Game (RPG)

The entertainment and car industries have developed a few RPGs. The narrative structure allows them to create a more complex mood, interaction and story line for a more immersive experience. Examples:

- BMW – Cool Flame, The Game (**http://www.be-the-first-one.com**)
- Altoids - Curiously Strong All Night Long Game (**http://www.altoids.com/index.aspx?area=game&sitegameid=87&relationid=405**)

Micro Games

Often companies want something small to accompany their campaigns. These short micro games can accomplish this for a fraction the cost of other games. Examples:

- Mini – Mini Convertible jump game (**http://www.miniusa.com/crm/mini_entrance.jsp**)
- Sony – Armchair Games (**http://www.thearmchairgames.tv**)

Multiplayer

Multiplayer games can create a sense of community around the brand, enhance viral distribution of the game and create a loyal user base. However, there are many performance issues, and corporate liability prohibits most un-censored communication during the game.

Examples:

- Rogue Pictures – Cry_Wolf
  (**http://www.crywolfgame.com/CryWolfGateKeeper**)
- Red Bull – Flakes of Fury
  (**http://www.redbullbigair.com**)

Key Players

Advertisers

The Internet Advertising Bureau (IAB) reported in its 2005 year end report that total Internet advertising revenues grew to a record of $12.5 billion in 2005. Consumer advertisers continue "to represent the largest category of Internet ad spending, accounting for fifty-one percent of the 2005 full year revenues." Within the consumer related categories, "Retail represents forty-seven percent of 2005 full year revenues followed by Automative at twenty percent, Leisure (travel, hotel & hospitality) at fourteen percent, Entertainment (music, film & TV entertainment) at 10 percent category, and Packaged goods at 5 percent." Some of the key industries in terms of advergames are:

- Alcoholic Beverages
  Long a target of activist groups, the alcohol industry is always looking for new ways to reach their targets. With gaming being so popular, edgy and viral, it's a natural fit. Coors, Corona, and Budweiser have all recently developed games.

- Automotive
  Many car companies see games as a way to provide a virtual simulation of what it's like to drive their cars. It allows them to showcase different models, and to provide an exciting, edgy test drive for perspective buyers. Recent high end games have been developed for Dodge, Lexus, and BMW.

- Food & Beverage
  With physical product differentiation being minimal for many competitive products in the food & beverage industry, games have become a successful way to speak to specific target markets about their brand message. Whether aimed at an older market with Sprite's retro Game System 600, giving young kids colorful mazes in Teddy Grahams' Park, or targeting Bejeweled fans with M&M's Flip The Mix, this industry sees games as a fun way to compliment the personality of their brands and products.

- Hollywood Entertainment
  Advergames offer entertainment companies a way to offer viewers a continued experience of a show and its characters beyond the theatre and a 30-minute timeslot. TV network FX's Lucky's Run Game, for example, allows viewers to explore the characters and environments of the show at their own leisure. They can also experience enhanced plotlines and stories not covered by a given show or movie.

- Online (Vertical) Portals
  Many web-based companies have viewed games as a way to break through the clutter and entice users to consider their service. The most notable of these is Orbitz, who has used a constant flurry of simple pop-up banner games to drive traffic to their site.

- Retail Sporting Goods
  Nike, RBK, Adidas, Puma, and others have all entered the web-games sphere. Nike has developed the most games, creating a number of high-end, web-based Wild Tangent games, as well as game experiences for AIM Expressions, and SMS Location Based Games (**http://www.nike.com/operation6453**).

- Serious Games & Recruitment Games
  Web-based games are not only being used to sell products, but they are also being used to sell and educated about causes. Games are being produced to teach volunteers how to help political candidates with their campaigns (Dean for Iowa Game), to present points of view on major world and political issues (AFKARMEDIA's UnderAsh), and to recruit for the armed forces (U.S. Army). There are also educational games being produced by organizations to educate people about the dangers of salty foods (UK Food Standards Agency's Sid Game), as well as to encourage users to take care of their prostate glands (Prostate Cancer Charity's Journey to Planet Prostate). If the effectiveness of these interactive applications can be proven there will be many more funded in the future by these causes.

- Telecom
  Many of the largest advertisers (in terms of dollars spent) are in the telecommunications industry. There is a lot of money to be made in this industry, and telecom companies are all trying to capture their target markets by any means possible. Many have already attempted to use games (web and console) to correlate their brands with speed, reliability and fun.

- Toys
  Toys and games have always gone hand in hand. With the inanimate nature of many physical toys, interactive web-based games offer the perfect opportunity to bring these characters and toys to life in the virtual space, jump starting your imagination in the physical space.

Few of these advertisers develop their games in-house. Usually they have their interactive agencies build the games or outsource to a game development company.

Developers

- Adgame-Wonderland (**http://www.adgame-wonderland.de**)
- Blockdot (**http://games.blockdot.com**)
- Denwerk (**http://www.denkwerk.de**)
- Gamelet.com (**http://www.gamelet.com**)
- 3D Groove (**http://www.3dgroove.com**)
- Fresh Games (**http://www.freshgames.com**)
- Fuel Industries (**http://www.fuelgames.com**)
- Funny Garbage (**http://www.funnygarbage.com**)
- GameBrander (**http://www.gamebrander.com**)
- Inludo (**http://www.inludo.com**)
- Leviathan Games (**http://www.leviathangames.com**)
- MindComet (**http://www.mindcomet.com**)
- Ogilvy Interactive (**http://www.ogilvy.com/o_interactive**)
- Panlogic (**http://www.panlogicgames.com**)
- Powerful Robot Games (**http://www.powerfulrobot.com**)
- Random Media (**http://www.randommedia.co.uk**)
- R/GA (**http://www.rga.com**)
- Shockwave (**http://www.shockwave.com**)
- SkiveCreative (**http://www.skivecreative.com**)
- Skyworks (**http://www.skyworks.com**)
- Soap Creative (**http://www.soap.com.au**)
- Templar (**http://www.templar.com**)
- Thup (**http://thup.com**)
- WM Team (**http://www.wmteam.de**)

© **2006 Casual Games Association.** All rights reserved. Reproduction in whole or part of this magazine is strictly prohibited.
Casuality, Casual Games Association, Minna Mingle, Minna Magazine the Casuality logo, and the Casual Games Association logo are trademarks or registered trademarks of Casual Games Association or Minna Media. All other product and company names mentioned herein may be trademarks of their respective owners.

Catalog designed by Rendermack.com

realArcade™

The Global Leader in Casual Games

Global Distribution

Real offers game developers a turnkey solution to distribute and publish their games worldwide on PC and mobile platforms. Real's comprehensive games business combines the market-leading RealArcade® downloadable game service with GameHouse®, Zylom®, and Mr.Goodliving studios.

- *Over 400,000 PC games downloaded every day*
- *Partnerships with major ISP's, carriers and portals in North America, Europe & Asia*
- *Partnerships with over 100 game developers & publishers*

Partners and Affiliates

Real published games are syndicated and/or distributed through a broad network of partners and affiliates including industry leaders such as Comcast, Cablevision, RTL, Belgacom, Telewest, Ilse Media, Reader's Digest, Lifetime Television, and many more.

GAMEHOUSE®

The leading US developer and publisher of casual PC and mobile games.

zylom® Have fun.

The leading European developer and publisher of casual PC games.

Mr.Goodliving

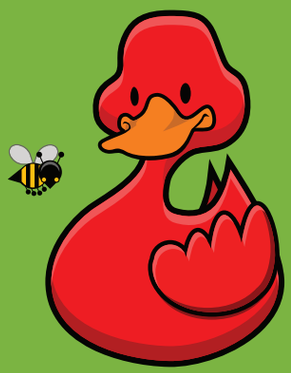
The leading European developer and publisher of mobile games.

For information about distributing your PC or mobile games on the RealArcade network, or to explore adding casual games to your website, please contact us:

Email: ra-bizdev@real.com

Online: http://gamedevs.realarcade.com

Get the royal treatment!



King.com, the largest skill gaming platform on the Internet. Launched in August 2003, the King.com site is now available in 10 languages and 7 currencies.

King.com

It's good to be the King

PREMIUM CASUAL GAMES

Leading The Way...

MumboJumbo is a leading developer and publisher of games for online distribution, and the preferred publisher of premium casual games for the retail channel.

www.mumbojumbo.com